

**Courier Capital, LLC**

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**March 26, 2025**

**FORM ADV PART  
2A BROCHURE**

This brochure provides information about the qualifications and business practices of Courier Capital, LLC. If you have any questions about the contents of this brochure, contact us at 716-883-9595. 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.

Additional information about Courier Capital, LLC (CRD No. 282485) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Courier Capital, LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Courier Capital LLC filed its last annual update on March 28, 2023. Since its last annual update, the following changes were made:

Item 10: We are no longer affiliated with SDN Insurance Agency, LLC (formerly Scott Danahy Naylor, LLC).

Additionally, Courier Capital, LLC has incorporated other non-material edits, and encourages each client to read this Brochure carefully and to call us with any questions you might have.

Pursuant to SEC regulations, Courier Capital, LLC will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Courier Capital, LLC's fiscal year end, along with an offer to provide the Brochure. For more information about the firm, please contact us at (716) 883-9595. Additionally, as Courier Capital, LLC experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover.

Additional information about Courier Capital, LLC and its investment adviser representatives are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 3 Table of Contents

<u>Number</u>	<u>Item</u>	<u>Page</u>
Item 1	Cover Page.....	1
Item 2	Summary of Material Changes .....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	10
Item 6	Performance-Based Fees and Side-By-Side Management.....	13
Item 7	Types of Clients .....	13
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Item 9	Disciplinary Information .....	16
Item 10	Other Financial Industry Activities and Affiliations.....	16
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12	Brokerage Practices.....	18
Item 13	Review of Accounts .....	23
Item 14	Client Referrals and Other Compensation.....	24
Item 15	Custody.....	25
Item 16	Investment Discretion .....	26
Item 17	Voting Client Securities.....	27
Item 18	Financial Information .....	27
Item 19	Additional Information .....	28

## **Item 4 Advisory Business**

### **Description of Firm**

Courier Capital, LLC, a New York State limited liability company, is an SEC registered investment adviser with its principal office located in Buffalo, New York with additional offices in Rochester, New York, Jamestown, New York and Pittsburgh, Pennsylvania. Our firm is the successor to Courier Capital Corporation, an investment management firm originally founded in 1967. We have been providing investment advisory services as Courier Capital, LLC since 2016. We are wholly owned by Financial Institutions, Inc.

We typically offer our customized investment management services to individuals (including high net worth individuals and other clients), banking institutions, charitable endowments, and pension plans. As discussed more fully below, the services we offer include investment management and consultation, financial planning, portfolio management, pension consultation, and selection of other services. Some of the securities instruments we advise on include, among other things, mutual funds, exchange traded funds (“ETFs”), equities, bonds, commodities, and real estate.

Our fees, services and investment strategies are described in the paragraphs that follow. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to the individual needs of our clients. As used in this brochure, the words "we," "our," "firm," and "us" refer to Courier Capital, LLC, and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **Types of Advisory Services Offered**

We offer four types of advisory services: (1) Investment Management Services, (2) Retirement Planning Services, (3) Individual Financial Planning Services, and (4) Investment Consulting Services, each of which is more fully described below. Depending on which financial adviser is appointed to separately manage a client’s account, the management of a particular strategy selected for the account could vary for similarly situated clients who have similar goals yet varied prior experiences.

### **Investment Management Services**

We offer a tailored investment management solution that encompasses not only the traditional asset classes of fixed income, domestic equities and foreign securities, but can also include alternative asset classes. Through the use of an asset allocation approach, the firm provides investment management services based on a thorough understanding of each client’s independent and unique investment objectives.

The first stage of our Investment Management Services process typically involves the gathering of

relevant information from the client and the completion of a Client Profile, investment policy statement or other similar document ("Client Profile"). The Client Profile sets forth the client's investment objectives, risk tolerance, investment guidelines, time horizons and other important and necessary information relating to the client.

Based upon this information, we will select an appropriate model (*i.e.*, either conservative, moderate conservative, moderate, moderately aggressive or aggressive) for on-going management. For some long-term and/or high net worth clients, we perform a traditional style of separately managed account ("SMA") portfolio management. Depending upon the strategy selected by the adviser, the firm invests client assets in various allocations and types of securities, including but not limited to: mutual funds, ETFs, stocks, bonds, commodities and/or real estate investment trusts ("REITs"). Please refer to *Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss* of this firm brochure for more information regarding our investment strategies and their associated risks. In addition, where appropriate, we use certain third-party managers ("TPMs") to effect various strategies on behalf of a client's account.

We typically manage all client assets on a fully discretionary basis, but for some clients, we provide non-discretionary management upon request and at our sole discretion. In exercising full discretionary authority, we select, without first obtaining client's permission, (1) the securities to be bought and sold; (2) the amounts of securities to be transacted and whether it will be individually or block traded; (3) the broker-dealer through which transactions will be executed; and where applicable, (4) the TPM to be used to manage a portion of the client's portfolio. Our discretionary authority can be subject to conditions imposed by a client. This occurs when a client restricts or prohibits transactions in a security for a specific company or for an industry sector, or requests that the firm place trades with a specific broker-dealer (*i.e.*, "directed brokerage"). If one or more restricted categories are designated by a client, the firm is authorized to determine in its discretion the specific securities that will be treated as falling within any such categories.

For those portfolios utilizing TPMs, we have instituted a disciplined process for selecting what we believe to be best-in-class asset managers. The universe of TPMs are screened and reviewed for style consistency, historical performance, down-side risk, and information ratio. Through fundamental analysis, we review the performance and risk attribution of each manager. Using qualitative analysis, we then conduct due diligence through meetings, discussions and Investment Committee vetting, which occurs no less than quarterly. At the conclusion of this process, the TPM is selected and considered as an option within our Investment Management Services.

Those TPMs selected by the firm typically are diversified among multiple strategies, asset classes, regions, industry sectors and securities. Once the TPM commences services, we continue to monitor the designated manager(s) to ensure that they adhere to the philosophy and investment style for which they were selected. Our ongoing review includes, but is not limited to, assessment of the TPM's disclosure brochure, performance information, on-site visits, materials (including questionnaire

responses) supplied by the TPM, evaluation of the manager's investment strategies, personnel turnover, regulatory events, ownership changes and corporate earnings reports.

The mutual funds and ETFs utilized within our model portfolios go through a very similar selection, monitoring and evaluation process. Each mutual fund or ETF selected is based on an extensive analysis by our Investment Committee, and once implemented, is monitored to ensure it continues to meet its objective.

Notably, some of these mutual funds or ETFs employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand, occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment. Other mutual funds employ other alternative techniques which carry inherent higher degrees of risks. Please carefully review the models' underlying funds as well as other risk considerations as more fully described in Item 8.

For those clients who utilize SMA portfolio management services, we provide individual stock and bond selections to meet the detailed investment objectives set forth by these clients. Throughout the process, we perform security selection based upon research of the underlying companies, communications with research analysts, real-time market data, ongoing analytics and earnings reviews, and in-depth analysis of company fundamentals. Once that evaluation is complete, the security could be added to the client's portfolio and continuously monitored for imbalances or shifts.

As noted above, clients are generally allowed to impose reasonable restrictions on the types of securities and/or industries to be included in their portfolio. Once this information is gathered, each client is responsible for informing us in writing of any changes to these restrictions or to their overall investment objectives. We do not assume any responsibility for the accuracy of the information provided directly by the client.

We may also recommend that clients utilize the investment management services of sub- advisers for particular types of instruments or markets. We have conducted due diligence on each sub- advisor. and will continue to monitor our sub-advisor relationships.

### **Retirement Plan Services**

Through decades of experience, resources, and technology, our firm provides non-discretionary advisory services to companies who are starting-up and/or managing existing retirement plans ("Retirement Plan Services"). Such services are tailored to the client's specific needs and include

recommending investment options for plans to offer to participants, quarterly reviews of plan's investment options, assisting plan fiduciaries in creating and/or updating the plan's written investment policy statements, providing general investment educational seminars to plan participants and working with plan service providers.

Uniquely, our firm does not manage proprietary mutual funds nor receive compensation in connection with recommending certain fund companies. We strive to provide diversified investment selections strictly through our analysis of the marketplace and the objectives of the client relating to its retirement plan. Through the firm's use of preferred partners, we are able to deliver fully bundled retirement plan solutions or, alternatively, can work with a company's existing plan service provider to deliver customized solutions.

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

Under this special rule's provisions, we must:

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

## **Financial Planning Services**

In limited circumstances, we provide financial planning to advisory clients who request such services. Generally, such services are provided for no additional fee and include, without limitation, providing advice regarding asset allocation; risk management; portfolio analysis; and evaluation and review of investment accounts. To begin the process, we generally collect, organize and assess various client data including information concerning the client's lifestyle, risk tolerance, and cash flow, as well as identification of the client's financial concerns, goals, and objectives. The primary objective of this process is to allow us to assist the client in developing a strategy for the successful management of income, assets, and liabilities in order to meet the client's individual financial goals and objectives. We reserve the right to charge a non-advisory client an hourly rate or flat fee depending on the scope of the engagement.

Clients receiving financial planning services will receive our recommendations about various alternatives and have the option of utilizing our firm to implement these recommendations. Clients are advised that a potential conflict of interest exists where we recommend our own Investment Management Services for which we will receive an investment advisory fee; see Item 5 for additional information. There can be no assurance that any products or services recommended by our firm are at the lowest available cost. Clients are free to accept or reject any of our recommendations provided under a financial plan. Moreover, if a client decides to implement any recommendations the client can, but is under no obligation to, utilize our firm to implement those recommendations.

### **Investment Consulting Services**

Many of our corporate and foundation clients desire that we monitor and analyze the quality of those multiple investment managers utilized within their portfolios. Our Investment Consulting Services are designed to provide clients with various asset allocations based on unique goals, risk tolerances and client objectives. The firm has invested in the technology necessary to deliver comprehensive consultation reports that examine the universe of mutual funds, as well as independent investment management firms that provide for ongoing analysis, reporting and monitoring as requested. When our corporate clients engage us for Investment Management Services, Investment Consulting Services can be provided as a complementary service dependent upon the type of account, client objectives and asset size. Please see a full description of our Investment Management Services above.

For those corporate clients who desire Investment Consulting Services exclusively, we offer customized services tailored to each client's needs. Our Investment Consulting Services typically involve the collection, organization, and assessment of all relevant documents and information concerning the corporate client's long-term goals and objectives, risk tolerance, cash needs and other factors, as determined by client needs. This allows us to develop a strategy for the successful management of income and assets in order to best meet the client's overall financial goals.

It is likely that through the Investment Consulting Services process, we will advise corporate clients to engage us for Investment Management Services. Clients are advised that a potential conflict of interest exists where we recommend our own Investment Management Services for which we will receive an investment advisory fee; please see *Item 5 - Fees and Compensation* for additional information. There can be no assurance that any products or services recommended by our firm are at the lowest available cost. There can be no assurance that our Investment Consulting Services or any product recommendations are at the lowest available cost. Clients are free to accept or reject any of our recommendations provided as part of our Investment Consulting Services. Moreover, if a client decides to implement any recommendations, the client can, but is under no obligation to, utilize our firm to implement those recommendations.



Those clients who wish to engage us for implementation of any recommendations made under this service are required to execute an addendum to their existing written advisory agreement with our firm. Under these circumstances, the fees charged for Investment Consulting Services can, at our discretion, be applied towards our future fees for Investment Management Services or be otherwise offset.

### **Alternative Investments and Private Placements**

All private placement investments offered via the platform are sponsored by third parties and are available to accredited investors as defined by the Investment Advisers Act of 1940. Such investments are subject to be included in underlying assets that Courier attributes to fee calculation. Underlying issuers will charge fees to Courier Clients, which will vary by each investment. Clients should refer to the subscription agreements for each specific investment to obtain this information.

### **Wrap-Fee Programs**

Courier serves as portfolio manager for wrap fee programs. Courier selects the investments and sector weights that are offered in these Wrap Programs. The appropriate portfolio allocations utilized in the Wrap Program are determined through a consultation between the program participant and their Investment Advisor. We may receive a management fee in addition to the wrap fee paid by the client.

### **General Information About Our Advisory Services Gathering**

#### **Individual Client Information**

As explained above, Investment Management Services provided by our firm are customizable based upon the individual needs, objectives, and other financial goals of the client. Early in the relationship, we typically will memorialize each client's investment objectives, risk tolerance, time horizons and other important and necessary information, including any investment guidelines. This information, together with any other information relating to the client's overall financial circumstances, will be used by the firm to determine the most appropriate asset allocation and investment strategy designed to best meet the client's financial goals. There can be times when certain restrictions are placed by a client which prevent us from accepting or continuing to service the client's account. We reserve the right to not accept and/or terminate a client's account if we determine in good faith that the client-imposed restrictions would limit or prevent it from meeting and/or maintaining its objectives.

We do not assume any responsibility for the accuracy of any information provided by the client. We are further not obligated to verify any information received from you or from your authorized professionals (*e.g.*, attorneys, accountants, etc.) and we are expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying us in writing of any material changes to

their financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies our firm of changes in the client's financial circumstances, we will review such changes promptly and could recommend revisions to the client's portfolio.

### **Advisory Agreements**

Prior to engaging us to provide any of the investment advisory services described in this firm brochure, you will be required to enter into one or more written agreements with us setting forth the fees to be charged and the terms and conditions under which we will render investment advisory services to you. Free of charge, we will provide you with a copy of our firm brochure and one or more brochure supplements prior to or contemporaneously with the execution of the foregoing written advisory agreement. The advisory relationship will continue until terminated by the client or our firm in accordance with the provisions stated within the written agreement.

### **Assets Under Management**

As of December 31, 2024, we provide continuous management services for \$2,659,012,223 in client assets on a discretionary basis and \$431,288,292 on a non-discretionary basis.

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

#### **Advisory Fees**

As noted above, the client will be required to enter into a written agreement with our firm setting forth the terms and conditions of the engagement, including the fees to be paid to us, in exchange for which we shall render investment advisory services. Such fees may be negotiated or waived under certain circumstances and at the sole discretion of our firm.

For Investment Management Services, our fees are based upon a percentage of assets under management, which typically range from 0% - 1.50% annually. The actual amount of the fee is based upon, among other things, the amount and types of assets managed, the number of client accounts, the long-term relationship with the firm and the client's advisory service selected (*i.e.*, model portfolio versus separately managed account management).

For Investment Management provided by our firm, client fees are billed in arrears (with the exception of certain legacy accounts, which are billed in advance) and paid quarterly at the rate of 25% of the annual fee based on the fair market value of the client's portfolio(s) as of the last day of the calendar quarter. At each quarter-end, the client's custodian will provide a quarterly custodial statement reflecting the portfolio's performance and our investment management fee, which will be automatically debited from the client's account by our firm, unless otherwise noted in the client's advisory agreement.

For the first billing cycle, our Investment Management fees will be pro-rated based on the number of days that the client's account is open during the initial quarter of services. Likewise, in the event our services are terminated mid-quarter, our Investment Management Services fee shall be pro-rated through the date of termination and any earned, unpaid balance will be immediately due and payable by the client.

For clients that desire Financial Consulting Services, we charge either hourly or fixed fees, which will vary based on the required services. For example, for Financial Consulting Services, our fees generally range from \$0 to \$350/hour. For Financial Consulting services, we will provide the client with an invoice reflecting the amount due and the payable date at the end of each calendar quarter.

It should be noted that our annual asset based advisory fees will be applied to your account on a "blended" or a "straight-line" basis. The particular manner in which our advisory fee schedules will be applied to your account(s) shall be set forth in our written agreement for services. The below is intended as an illustration of how our blended and straight-line billing procedures would apply to a hypothetical Investment Management Services account containing a balance of \$750,000:

- *Blended Fee Basis:* the client would pay annual advisory fees equal to 0.95% on the first \$500,000 of the client's account balance and 0.85% on the remaining \$250,000 balance in the client's account.
- *Straight-line Fee Basis:* the client would pay annual advisory fees equal to 0.85% on the entirety of the client's \$750,000 account balance annually.

Our advisory fees are negotiable and can be waived or varied for certain clients in our sole discretion. Lower fees for comparable services could be available from other sources.

### **Betterment Accounts**

For Betterment accounts, your fee will be calculated on a quarterly basis and is paid in arrears. To calculate the fee, we use the sum of the following for each day in the preceding quarter: (the balance in a Client's account at the end of the day) \* (advisory fee applicable on that day). Client understands additional platform fees will be charged by Betterment per their customer agreement.

In the event our agreement with you begins at any time other than the first day of a calendar quarter, the fee for the initial period will be pro-rated based on the number of days in the quarter that the agreement is effective.

For all clients:

Fees will be automatically deducted from your managed account\*. As part of this process, you

understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.\*\*

\* We generally do not offer direct billing as an option to our asset management clients.

\*\* The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client from the custodian

The fee that you are being charged by us for the investment management of your assets is exclusive of, and in addition to, brokerage commissions, transaction fees, custodial fees, and any other related costs and expenses. We do not receive any portion of these commissions, fees, other costs and expenses.

A portion, or all of your assets that we manage may be invested in stocks, mutual funds, ETFs, and/or fixed income. Each ETF or fund may charge an annual internal management fee as outlined in their prospectus. We do not receive any of these additional fees; however, these fees do represent an additional fee that you are paying above that being charged by us.

### **Other Fees and Expenses**

Clients should understand that the fees described above are exclusive to our firm and do not include certain charges imposed by third parties such as custodial fees, execution costs, mutual fund/ETF fees and expenses, and management fees charged by TPMs. Client assets also are subject to transaction fees, brokerage fees and commissions, retirement plan administration fees (if applicable), deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For mutual funds and ETFs, clients are typically charged internal management fees, distribution fees and other expenses as set forth in the funds' prospectuses. We will not receive any portion of these other fees and expenses.

Clients should understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account are generally paid out of the assets in the account and are in addition to the advisory fees charged by our firm. Please refer to Item 12 - Brokerage Practices of this firm brochure for additional important information about our brokerage and transactional practices, including considerations for selecting broker-dealers for client transactions.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in Item 5 - Fees and Compensation and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

Our firm typically provides advisory services to individuals (including high net worth individuals and other clients), as well as to banking or thrift institutions, pension and profit-sharing plans (other than plan participants), charitable organizations, and corporations or other business entities. If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), we hereby acknowledge that we are a fiduciary to the plan under Sections 3(38) and 3(31) of ERISA. A 3(21) fiduciary acts as an investment adviser who makes recommendations. By contrast, a 3(38) is an investment manager who reviews investment options, makes decisions, and ultimately take responsibility for your plan's day-to-day investments.

Typically, our minimum portfolio size or investment size to open an account is \$500,000. Exceptions to this requirement may be allowed under certain circumstances at our sole discretion. We reserve the right in our sole discretion to accept or decline a potential client for any reason.

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

### **Methods of Analysis and Investment Strategies**

As mentioned above in Item 4 - Advisory Business, we utilize various methods of analysis in formulating our investment advice to clients. Our firm employs a defined process for each step in the investment management cycle. This process includes ongoing selection, implementation, and monitoring.

We carefully select client investments by beginning with a performance evaluation and screen of the broadest possible universe of assets and fund managers (collectively, "Managers"). Managers that qualify from a performance standpoint are then examined to determine their process for security selection, portfolio construction and sell decisions. Once that evaluation is complete, a qualitative examination of the management firm is conducted. During this phase, we gain insight through reviewing reports from external industry data providers, including market news reports, financial publications, corporate rating services, outside research reports, annual reports, prospectuses, SEC filings and company press releases. Utilizing this broad information gathering process, our firm attempts to determine which Managers and investments appear to be suitable and in line with the investment objectives of each client, and typically selects Managers based on investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and holdings. This same approach is also applied in our selection of individual securities for client accounts.

We may use a single strategy or multiple strategies in managing your account(s). We review any strategy we may use for your account(s) to make sure that they are appropriate to your needs and are consistent with your investment objectives, risk tolerance, time horizons, and other considerations.

Investing in securities involves risk of loss that clients should be prepared to bear. The investment strategies we pursue on behalf of our clients can include long- and short-term purchases, dependent upon the client's investment objectives and current needs. We will recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. For example, we can recommend specific stocks, bonds or funds to increase sector weighting and/or dividend potential or recommend employing cash positions as a possible hedge against market movement which could adversely affect the portfolio. Additionally, dependent upon the needs and objectives of the client, we may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance.

### **Material Risks**

Investing in securities involves a significant risk of loss. Our investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions could be unprofitable. Clients should be aware that there could be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that the client's investment objectives will be met and no inference to the contrary should be made. Prior to entering into an agreement with us, you should carefully consider: (1) committing to management only those assets that you believe will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, (2) that volatility from investing in the stock market can occur, and (3) that over time your assets could fluctuate in value and at any time could be worth more or less than the amount invested.

In addition to those risks outlined in Item 4 of this firm brochure, some of the risks associated with investing in securities and funds recommended by us of which you should be aware include, but are not limited, to the following:

- **Allocation Risk:** the risk that a portfolio could lose money as a result of less than optimal or poor asset allocation decisions as to how its assets are allocated or reallocated.
- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a stock, bond, mutual fund or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances.
- **Credit Risk:** The risk that a portfolio could lose money if the issuer or guarantor of a fixed

income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

- **High Yield Risk:** High yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”) are subject to greater levels of credit and liquidity risks.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.
- **Political and Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the U.S. or those companies who conduct a substantial amount of their business outside of the U.S.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. Generally, business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others unsystemic. That is, every company has the business risk that the broader economy will perform poorly and therefore that sales will be poor, and also the risk that the market simply will not like its products.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business’ operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Derivatives Risk:** This is the risk of investing in derivative instruments, including liquidity, interest

rates, market, credit and management risks, mispricing or improper valuations. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index and the investment could lose more than the principal amount invested.

- **Foreign Investment Risk:** Investments in foreign securities may be riskier than U.S. investments because of factors such as, unstable international, political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory taxation or nationalization of companies by foreign governments, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting standards, political or economic factors that may severely limit business activities, and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors.
- **Alternative Investment Risk:** Due to the speculative nature of private placements, such investments carry larger general risk, including loss of principal.

All investments include risk including loss of principal.

It is important to note that while we typically invest for the long-term and do not engage in high frequency trading, certain TPMs we select employ such strategies. As a result, such frequent trading will typically result in increased brokerage and other transaction costs, which generally could reduce investment returns over time.

### **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

#### **Other Financial Industry Activities**

Neither our firm nor any persons associated with our firm are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither our firm nor any persons associated with our firm are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.



## **Relationship with Five Star Bank and its Affiliate**

We are affiliated with Five Star Bank ("FSB") through common control and ownership exercised by Financial Institutions, Inc. FSB offers traditional retail and business banking services including checking and savings accounts, lines of credit, home mortgages, personal loans, vehicle loans, business loans, credit and debit cards, certificates of deposit, individual retirement accounts and other personal and business banking services. At times, we will recommend that you use the personal and business banking services or products offered by FSB if appropriate and suitable for your needs. Alternatively, FSB will recommend our advisory services to their banking clients, as appropriate. Our advisory fees are separate and distinct from the compensation paid to FSB for their banking services.

Referral arrangements with any affiliated entities present a conflict of interest for us because we (or our affiliate(s)) have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation and fees charged by the above affiliate to be competitive, such compensation and fees could be higher than that charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and can obtain comparable services and/or lower fees through other firms. Likewise, if you are referred to our firm by our affiliate, without limitation, FSB you are under no obligation to engage us for services and could obtain comparable services and/or lower fees through other firms.

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

### **Code of Ethics Summary**

The Investment Advisers Act of 1940 imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. Our clients therefore entrust us to use the highest standards of integrity when dealing with their assets and making investments that impact their financial future. Our fiduciary duty compels all firm employees to act with integrity in all our dealings.

Because our investment professionals and associated persons will at times transact in the same securities for their personal accounts as they buy or sell for client accounts, it is important to mitigate this potential conflict of interest. To that end, we have adopted personal securities transaction policies in the form of a Code of Ethics ("Code"), which all our associated persons must follow. This Code provides personnel with guidance in their ethical obligations regarding their personal securities transactions and fiduciary duties formulating the basis of all our client dealings. Specifically, the Code

requires personnel to report personal trades and holdings and prohibits or requires pre-clearance for certain trades in certain circumstances. The Code also contains procedures for reporting violations and enforcement. The Code is reviewed and distributed to personnel annually. We will provide a copy of the Code to any client upon written request.

We obtain information from a wide variety of publicly available resources. Our personnel do not have, nor claim to have, insider or private knowledge.

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

Because the Code would permit associated persons of our firm to invest in the same securities as clients, there is a remote possibility that an associated person could benefit from market activity by a client in a security held by that person. Employee trading is continually monitored under the Code, with an eye to reasonably prevent conflicts of interest between our firm, its personnel, and our clients.

We do not affect any principal or agency cross-securities transactions for client accounts, nor do we affect cross-trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Should we ever decide to affect cross-trades between client accounts, any such transactions will comply with the provisions of Rule 206(3) of the Advisers Act.

### **Item 12 Brokerage Practices**

There are several factors we consider when selecting or recommending broker-dealers (including those broker-dealer custodians) for client transactions. Amongst these factors are their qualitative services and reasonableness of compensation as described below.

Except in limited situations as noted in the client's advisory agreement and determined at the commencement of a client relationship, our firm will have full discretion to determine which broker-dealer should be used to effect transactions for client accounts. When we place orders for execution in client accounts, transactions are allocated to broker-dealers for execution in various markets at prices and commission rates that, based upon our good faith judgment, we believe will be qualitatively in the best interest of the client. While our firm typically uses Schwab as its preferred broker-dealer custodian, other broker-dealer custodians are used by us for transactions in client accounts. The factors described below contribute to our determination of which broker-custodian is selected for particular transactions.

### **Selection Criteria**

When performing Investment Management Services, we generally recommend and affect all transactions for client accounts through Schwab. We typically do not allow client-directed brokerage;

however, on a case-by-case basis we have legacy clients who continue to use broker-dealer custodians other than Schwab due to longstanding relationships. We periodically evaluate the commissions charged and the service provided by the custodian and compare those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians. Other factors we consider when evaluating the choice of custodian include:

- Ability to trade mutual funds and other investments that we determine to be suitable for a client's portfolio;
- Any custodial relationship between the client and the broker-dealer;
- Quality of customer service and interaction with our firm;
- Discount transaction rates; and
- Reliability and financial stability.

For those clients who are permitted to direct brokerage and select broker-dealers not recommended by us, these clients should be aware that we could be unable to negotiate specific brokerage commission rates with the broker on the client's behalf or seek better execution services or prices from other broker-dealers. As a result, the client could pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case and we will have limited ability to ensure that the broker-dealer selected by the client will provide best possible execution.

Please refer to Item 10 - *Other Financial Industry Activities and Affiliations* and the discussion below in this Item 12 for more information on our relationship with and benefits received from Schwab.

As stated above, Courier considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In selecting Schwab as the broker and custodian for certain of its current and future client accounts, Courier takes into consideration its arrangement with Schwab as to obtaining price discounts for Schwab's automatic portfolio rebalancing service for advisors known as "iRebal". The fee we pay for iRebal is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the Schwab platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the Schwab platform will bring fee reductions of as many as five years or more. The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute "plan assets" of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs). If Courier does not maintain the relevant level of taxable assets on the Schwab, the Firm could be required to make a penalty fee payment to Schwab calculated on the basis of the shortfall.

Although Courier believes that the products and services offered by Schwab are competitive in the marketplace for similar services offered by other broker-dealers or custodians, the arrangement with Schwab as to the iRebal service impacts Courier's independent judgment in selecting or maintaining Schwab as the broker or custodian for client accounts.

## **Your brokerage and trading 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 U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

In cases where we choose to execute a trade with different broker-dealers but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we have Schwab execute most trades for your account. We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trade through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

## **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage— 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. Here 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 some 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; and
- 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;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants, and insurance providers; and
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

### **Best Execution and Soft Dollar Benefits**

As stated above, our firm typically has full discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. It is the policy and practice of our firm to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, we will use our best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution. When we believe that more than one broker can offer the brokerage and execution services needed to obtain the best available price and most favorable execution, consideration can be given to selecting those brokers which also supply research services of assistance to us in fulfilling our investment advisory responsibilities. Such services could include research reports, services and seminars, computer software and related hardware for services. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." Some of these services are provided to our firm as part of a "bundled package" from the broker-dealer. The commissions and/or transaction fees charged by a broker-dealer may be higher or lower than those charged by other broker-dealers. Courier will not receive any portion of the brokerage commissions and/or transaction fees charged to clients. The brokerage commissions and/or transaction fees charged by any broker-dealer are exclusive of, and in addition to, Courier's management fee. Although the commissions paid by Courier's clients will comply with Courier's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Courier determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but

whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Courier will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Courier will periodically evaluate the execution performance of broker-custodian executing its transactions.

Moreover, some of the services could benefit a specific segment of our clients to the exclusion of others. We do not attempt to match a particular client's trade executions with broker-dealers who have provided research services which have directly benefited that client's portfolio. Rather, research services received by our firm are used for the ultimate benefit of all clients. This also benefits our firm since we do not have to produce or pay for the research, products or services provided by the broker-dealer. Consequently, we have an incentive to select or recommend a broker-dealer based on these benefits rather than in the clients' interest in receiving most favorable execution. When Courier uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services. Courier may have an incentive to select a broker based on its interest in receiving the research or other products or services offered by such broker, rather than on its clients' interests in receiving most favorable execution. While clients could in certain circumstances direct us to use a specific custodian, our selection of the custodian could keep costs down. Due to Courier's relationship with Schwab, Schwab has agreed to pay for certain expenses on behalf of Courier. Such benefits include servicing fees, taxes and ancillary fees associated with these products, which could or could not benefit, directly or indirectly, any Courier client, and will not increase any costs to Courier's Schwab clients. Importantly, Courier's receipt of such benefits could or could not be offered to other independent advisers that participate in the program. Courier is still obligated to review best execution and act in the best interest of its clients regardless of this relationship.

Some broker-custodians could offer similar benefits to Courier. In certain circumstances, transactions may also be cleared through other financial institutions with whom Courier has entered into prime brokerage clearing services agreement(s).

We have a potential conflict of interest in recommending that our clients have their assets held in custody with these custodians, due to the incentive and receipt of the foregoing soft dollar benefits. The broker-dealers we recommend consider the amount and profitability to the custodian of the assets in, and trades placed for, our client accounts when determining whether to continue providing these soft dollar benefits to our firm. In furtherance of the best of interest of clients, we will periodically review the broker-dealer firms used to execute client transactions, taking into account the above qualitative considerations, among others, such as reliability, accuracy, competency of bundling trades, timing of execution, and other factors.

### **Trade Aggregation and Allocation**

Generally, our firm affects transactions for each client account independently. However, when able to, we (and/or the selected TPMs) often will aggregate trades of accounts. Trade aggregation, so-called "bunching of orders" or "block trading" could or could not result in better realized prices. Because of our style of model portfolio management utilizing mutual funds and ETFs, or alternatively, separately

managed account management, which consists of individual, customized portfolio management, it could be unable to bunch orders. Alternatively, even when possible, we could be unable to execute all shares of an aggregated trade because of prevailing market conditions, in which case we will allocate the trade among participating accounts in an equitable manner determined prior to execution of the trade. Ordinarily, the executing broker-dealer will provide an average price, and where possible, average transaction costs that will be allocated to all accounts participating in the aggregated trade. In certain cases, we (and/or the TPMs) could be unable to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability and account restrictions. Typically, we could be unable to effectively “bunch” orders for clients requesting directed brokerage, which could impact the possible advantage clients derive from the aggregation of orders.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of its portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

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

Our investment professionals periodically review their designated client accounts on a regular basis and no less than annually. Client accounts are reviewed for suitability considering each client's investment objectives, risk tolerance and financial goals, in conjunction with the framework of the portfolio models established by the Investment Committee and in accordance with separately managed account protocols as further described in *Item 4 - Advisory Business*.

Our Investment Committee is responsible for the general oversight of all supervised persons. The Investment Committee meets periodically to discuss portfolio management fundamentals, model portfolio constituents, asset allocation, and areas of potential concern.

We may review client accounts more frequently in light of changes to the tactical allocation targets and specific investments approved by the Investment Committee. In addition, possible changes in clients' goals and objectives, risk aversion, time horizon, or changes in the investment environment or tax laws, that could warrant portfolio reviews and adjustments are discussed with clients as needed. Furthermore, clients are urged to contact us soon after any change in circumstances that impacts their risk tolerance, time horizon, investment objectives, tax status or other information that the firm could have relied upon when rendering its investment advisory services.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans,

changes in their circumstances, etc.

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

### **Soft Dollars**

Our firm is provided with an economic benefit through its receipt of soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934. We enter into these “soft dollar” arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist us in our investment decision-making processes. The receipt of such services serves as an economic benefit to our firm, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client’s interest in receiving most favorable execution. Please refer to *Item 10 - Other Financial Industry Activities and Affiliations* and *Item 12 - Brokerage Practices* of this firm brochure which more fully describe these benefits and how we address the resulting conflicts of interest.

### **Economic Benefits in addition to Soft Dollars**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and often include financial publications, information about companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions could be greater than the amounts another broker who did not provide research services or products might charge.

### **Client Referrals**

Courier is required to disclose any arrangement under which it directly or indirectly compensates a third-party for client referrals. If a client is introduced to Courier by either an unaffiliated or an affiliated solicitor, Courier may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from Couriers’ investment management fee.

If the client is introduced to Courier by an unaffiliated or affiliated solicitor, the solicitor provides the client with a copy of Couriers’ Disclosure Brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor’s disclosure statement containing the terms and conditions of the solicitation arrangement including compensation.

Please refer to *Item 10 - Other Financial Industry Activities and Affiliations* of this firm brochure for important disclosures with respect to client referrals between and amongst our firm and our affiliate, FSB.



## Recommendations of TPMs

As described in more detail under *Items 4 and 10* above, at times we will recommend the services of certain TPMs as part of our overall asset allocation for certain client accounts. We have arrangements with certain TPMs whereby our firm receives a percentage of the fees charged by such TPMs. Please refer to *Items 4 and 10* above for additional information and conflicts associated with these relationships.

## Item 15 Custody

Pursuant to the Investment Advisers Act of 1940, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab (or another custodian) to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab (or another custodian) maintains actual custody of your assets.

You will receive account statements directly from Schwab (or another custodian) at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab (or another custodian). You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's (or another custodian's) account statements with the periodic account statements you will receive from us.

Additionally, certain clients have, and could in the future, sign a Standing Letter of Authorization (SLOA) that gives Courier the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give the Firm custody. Custody is defined as any legal or actual ability by the Firm to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempts Courier from the surprise audit rules if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions are as follows:

1. When debiting fees from client accounts, Courier must receive written authorization from clients permitting advisory fees to be deducted from the client's account.
2. In the case of SLOAs, Courier must: (i) confirm that the name and address of the third party is

included in the SLOA, (ii) document that the third-party receiving the transfer is not related to the Firm, and (ii) ensure that certain requirements are being performed by the qualified custodian.

If client funds or securities are inadvertently received by our firm, they will be returned to the sender immediately, or as soon as practical.

Please refer to *Item 10 - Other Financial Industry Activities and Affiliations* and *Item 12 - Brokerage Practices* for additional important disclosure information relating to our practices and relationships with custodians.

## **Item 16 Investment Discretion**

### **Discretionary Authority; Limitations**

All Investment Management Services are performed on a discretionary basis, unless otherwise specifically agreed upon at the inception of the client relationship and memorialized in the client's advisory agreement. In exercising our discretionary authority, we will have the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined with those of other clients and traded as a "block." Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, our authority to trade securities could be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on this discretionary authority, including restrictions on our ability to invest the client's assets in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to our firm in writing.

### **Limited Power of Attorney**

Unless clients specifically request in writing that we manage all or part of their account on a non-discretionary basis, by signing our advisory agreement, clients authorize us to exercise full discretionary authority with respect to all Investment Management Services transactions involving the client's account. Pursuant to such agreement, we are designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes us to give instructions to third parties in furtherance of such authority.

## **Item 17 Voting Client Securities**

Our firm has established a Proxy Voting Policy. The policy summarized herein applies to all client accounts, with the exception of certain legacy accounts with which Courier has not entered into an agreement to vote proxies. When we are responsible to vote proxies on securities held in a client's account, we have adopted policies and procedures in an effort to ensure that all votes are cast in the

best interests of our clients and that the proper documentation is maintained relating to how the proxies were voted. These policies and procedures are summarized below.

We have adopted proxy voting guidelines to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the underlying investment. However, we reserve the right to delegate to a non-affiliated third-party vendor, the responsibility to review proxy proposals and make voting recommendations to us. In addition, we could, in some cases, vote a proxy contrary to our guidelines if we determine that such action is in the best interest of our clients.

In cases where sole proxy voting authority rests with our firm for plans governed by ERISA, we will vote proxies in accordance with our proxy voting guidelines unless otherwise outlined in the plan's governing documents and subject to the fiduciary responsibility standards of ERISA.

We vote proxies as they are received. If at any time, we become aware of any type of potential or actual conflict of interest relating to a proxy proposal, such conflict is promptly reported to our firm's compliance department. Conflicts will be handled in a number of ways depending on the type, materiality, and requirements of applicable laws, and will always be handled in the client(s) best interest.

There are certain situations or for certain accounts in which we will not vote proxies. For example, where a client has retained the right to vote the proxies or where a proxy is received for a client account that has been terminated.

A complete copy of our Proxy Voting Policies and Procedures is available upon request. Clients can obtain information on how their proxies were voted by contacting us at the telephone number disclosed on the cover page of this firm brochure.

### **Item 18 Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and we are therefore not required to provide and have not provided a balance sheet. We do not have any financial commitments that impair our ability to meet contractual and fiduciary obligations to clients. We have not been the subject of a bankruptcy proceeding.

### **Item 19 Additional Information**

#### **Your Privacy**

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

information private and secure.

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

We restrict internal access to non-public personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We can share your information with our other Financial Institutions, Inc. affiliate, unless you specifically opt-out of this sharing. Our affiliate includes companies with a Five Star or Courier name; financial companies such as Five Star Bank.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy or if you wish to opt-out of information sharing with our affiliate, as listed in the preceding paragraph.

If you decide to close your account(s) we will adhere to our privacy policies, which could be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You cannot opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Trade Errors**

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

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you

are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you. However, we reserve the right to delegate to a non-affiliated third-party vendor the responsibility to determine eligibility.