



# Ritter Daniher Financial Advisory LLC

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A BLUESPRING WEALTH PARTNER

Dated: March 21, 2024

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*This brochure provides information about the qualifications and business practices of Ritter Daniher Financial Advisory LLC ("RDFA"). If you have any questions about the contents of this brochure, please contact us at: 513-233-0715, or by email at: [john@ritterdaniher.com](mailto:john@ritterdaniher.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. References to RDFA as a "registered investment adviser" or descriptions of being "registered" do not imply a certain level of skill or training.*

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

## Material Changes

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

RDFA has no material changes to note since the last annual amendment submitted on March 23, 2023.

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## Advisory Business

**Our Firm's History:** RDFA has been in business since 1999 and was originally domiciled in the state of Ohio. In September 2021, a new Delaware entity was created, and the assets, relationships and registration of the firm were contributed to the new Delaware entity on September 29, 2021. Immediately following this contribution, the new Delaware entity was then sold to Bluespring Wealth Partners, LLC, which is the principal owner of RDFA.

The firm's primary service offering is Wealth Management, where we offer assistance within the broad spectrum of financial planning and investment management related activities.

**Amount of Assets Under Management:** As of December 31, 2023, RDFA managed approximately \$535 million in client assets on a discretionary basis and \$0 in non-discretionary assets. This means that RDFA made the investment decisions for the account. As of December 31, 2023, RDFA also had approximately \$52 million in assets under advisement.

**Our Firm's Primary Service:** As noted above, our primary service offering is Wealth Management. While there are many facets to the management of a client's wealth, some of the more traditional items that we often offer are:

- Goals Identification and Clarification
- Investment Selection and Strategies
- Retirement Planning
- College Planning
- Life Insurance and Disability Insurance Planning
- Employee Benefit Planning
- Income Tax Minimization
- Estate Tax Minimization
- Wealth Transfer Strategies and Legacy Planning
- Charitable Giving Strategies and Planning
- Cash Flow Planning and Budgeting

In addition to these items, we also offer "financial concierge" services, such as:

- Coordination of external advisors (Attorneys, CPA's, Insurance Agents, etc.)
- Trust Consulting
- Mortgage Finance Planning
- Family Meetings and Wealth Education

RDFA provides advice on a "best efforts" basis. The advice is based upon the information provided to us by the Client and our understanding of it, and as such it is your responsibility to provide accurate information. We encourage Clients to regularly engage us in dialogue about their specific goals and objectives.

**Additional Services:** While not our primary service offerings, we occasionally work with clients in other capacities. The three most likely of these scenarios are:

- Project-Based and Hourly-Based Financial Planning

- Non-Profit Investment Advisory
- Corporate Retirement Plan Management

A summary of each of the additional services follows:

#### *Project Based and Hourly Based Financial Planning*

Occasionally, RDFA will engage in financial planning services for Clients. A plan can be encompassing in nature or related to a specific goal. The purpose of the financial plan is to determine action steps that will assist you in reaching specific goals that are identified. This process will often include financial analysis using both “straight line” (constant rate of return) and “Monte Carlo simulation” (random rates of return) financial planning techniques. In most circumstances, a written report of thoughts and recommendations will be presented outlining the strengths and weaknesses of the financial situation, discussing actions steps, and may include referrals to other financial, tax and estate advisors that may be of assistance.

This type of service engagement has a set start and end point, either based upon specific dates or by the completion of the project. Due to the limited scope of the engagement, and the finite nature of our time working together, specific investment recommendations are not offered. Any information presented on investments during this process will be limited in scope to suitability, risk tolerance and overall asset allocation. No attempt will be made to provide specific recommendations as to the purchase or sale of invested assets.

#### *Non-Profit Investment Advisory*

RDFA works in certain instances with non-profit organizations to assist them with the management of invested assets. The scope of these engagements is normally limited in nature, whereby we are providing investment selection, asset allocation and rebalancing services for assets that benefit the non-profit entity.

#### *Corporate Retirement Plan Management*

RDFA can be engaged in assisting with the management of corporate retirement plan assets (401(k), 403(b), Profit Sharing, etc.). In these situations, we are normally being hired by the plan trustee or plan fiduciary, and are working as part of the team managing the assets for the benefit of the participants. Again, this is normally a limited scope engagement focused around investment selection and implementation, asset allocation and rebalancing, and employee education. Under these engagements, our Client is the plan and its trustee or fiduciary, not the corporation, its employees, or individual plan participants.

## Fees and Compensation

**Wealth Management Fees:** RDFA offers ongoing Wealth Management services on a fee-only basis. This wealth management fee is based upon your assets under management. The wealth management fee schedule is as follows:

<i>Assets Under Management<sup>1</sup></i>	<i>Annualized Fee</i>
On the first \$1,000,000	1.00%
On the next \$1,500,000	0.75%
On the next \$2,500,000	0.50%
Above \$5,000,000	Negotiable

RDFA reserves the right to vary its fees upon such factors as the size of the account, the complexity of the portfolio, the extent of the activity needed to manage the account, or other reasons agreed upon by RDFA and Client. Additionally, Client and RDFA may agree to carve-out certain assets from the fee calculation if the asset meets the following terms: The asset is valued at over \$100,000 and is at least 10% of Client's assets under management. Furthermore, RDFA does not bill on Schwab Charitable Donor Advisor Fund accounts.

The fee is set at the beginning of an engagement with a client by signing of the Client Engagement Agreement. The fee is calculated monthly and paid in advance based on your assets under management at the end of the prior period. Each account that you hold with us will pay its pro rata portion of your monthly fee or, at RDFA's discretion, fees may be consolidated for the purposes of billing out of one primary account. RDFA reserves the right to aggregate family accounts to reach lower fee tiers or reduce the overall fee under special circumstances. Some clients with established relationships with RDFA may remain on their former fee schedule as indicated within their signed Client Engagement Agreement.

The client will expressly authorize RDFA to instruct the Custodian to deduct all applicable fees, including fees payable under the Agreement, from the client account.

**Project Based and Hourly Based Financial Planning:** Project Based Planning is done on a fee basis that is calculated using a quasi-hourly rate based upon the complexity of the situation and the estimated time involved. A fee range is quoted and agreed upon at the time the Client Engagement Agreement is discussed and signed. This agreement outlines the scope of the engagement, as well as the timing of the payment of fees. In certain cases, hourly based or "segmented" planning may be done for a client. In these cases, fees are charged based on an agreed upon hourly rate. Currently, those hourly rates are:

<i>Job Function / Title</i>	<i>Rate</i>	<i>Job Function / Title</i>	<i>Rate</i>
Sr. Financial Advisor / CFP®	\$200/hour	Financial Advisor / CFP®	\$150/hour
Financial Para-planner	\$100/hour	Staff Employee	\$50/hour

**Non-Profit Investment Advisory Fees:** The fees for this service are as follows:

<u>Investment Portfolio Value Managed by RDFA</u>	<u>Annualized Fee</u>
On the first \$1,500,000	0.75%
On the next \$1,500,000	0.50%
Above \$3,000,000	0.25%

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<sup>1</sup> "Assets Under Management" is defined as Client assets held at the custodian in accounts that are managed by RDFA.

The fee is set at the beginning of an engagement with a client by signing of the Client Engagement Agreement. The fee is calculated monthly and paid in advance based on your assets under management at the end of the prior period; each account that you hold with us will pay its pro rata portion of your monthly fee. The client will expressly authorize RDFA to instruct the Custodian to deduct all applicable fees, including fees payable under the Agreement, from the client account.

**Corporate Retirement Plan Management:** This service is typically provided for a flat fee based upon the assets under management and negotiated on a case-by-case basis.

**Additional Cost Information:** Client must authorize RDFA in writing to have the custodian pay us directly by charging your account. The custodian will provide statements that show the amount paid directly to RDFA. Client should review and verify the calculation of RDFA's fees. The custodian does not verify the accuracy of fee calculations.

In addition to RDFA's fee and where applicable, clients are required to pay other charges such as: custodial fees; brokerage commissions; transaction fees; internal fees and expenses charged by mutual funds; variable annuities; interval funds, direct private placements ("DPPs"), and exchange traded funds ("ETFs"); brokerage account maintenance fees; and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, DPPs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by RDFA. Complete details of these internal fees and expenses are explained in the prospectus or other applicable offering document for each investment. Clients are strongly encouraged to read these explanations before investing any money. Clients may ask their Financial Advisor any questions they have about fees and expenses.

Please see the section titled 'Brokerage Practices' below, which further describes the factors RDFA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

**Fee Billing:** All fees are negotiable at our sole discretion. Such negotiations are based upon the number of accounts, account size, complexity and level of services provided, prior relationships and related account holdings.

Typically, clients must pay RDFA's fees monthly in advance of receiving services. The monthly fee will be collected during the first ten business days of the new month and is payment for that calendar month's services. If our billing process changes, you will receive 30 days' written notice. Should either party terminate the advisory agreement before the end of the billing period, any unearned fees that were deducted from the client account will be returned to the client. The amount refunded is calculated by dividing the most recent advisory fee paid by the total number of days in the month. This daily fee is then multiplied by the number of calendar days in the month that the agreement was in effect. This amount, which equals the amount RDFA earned for the partial month, is subtracted from the total fee the client paid in advance to determine the refund. A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice.

Margin accounts may be utilized for certain clients where it meets their investment objectives and goals. Margin accounts are billed on the gross total asset value in the account. Margin loan balances do not reduce the billable account value. The total net value of your account is the gross value of your assets (including any accrued income) less your margin loan balance. The total gross value of your assets, and therefore the billable account value, will exceed the total net value of your account if you have a margin loan balance. By calculating our fee based on gross total asset value, we have a conflict of interest if we recommend purchases on margin because such purchases can increase our compensation. We seek to address conflicts such as this through disclosure and our suitability process.

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

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. RDFA does not charge performance-based fees on any of our client accounts.

## Types of Clients

RDFA offers its advisory services primarily to individuals and their families, including high net worth individuals and trusts. RDFA may also provide advisory services to pension and profit-sharing plans and plan participants, as well as to charitable organizations.

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

*General Beliefs.* RDFA manages investment portfolios with a belief that asset allocation, diversification, security selection and portfolio rebalancing are the primary drivers in investment success. Members of our firm sit on our Investment Committee, and this committee is responsible for determining the strategies to be employed in client portfolios.

The investment advice which RDFA offers is based upon long-term investment strategies which incorporate the principles of Modern Portfolio Theory. The utilization of several different asset classes as part of an investor's portfolio is emphasized, as this historically has been shown to usually affect a reduction in portfolio volatility over long periods of time. We believe that markets are normally fairly efficient, although not always rationale, and that portfolio returns are principally determined by asset allocation decisions and are assisted by maintaining a focus on low internal cost structure of investments used.

Clients of the firm are offered the services of our developed investment philosophies and strategies, research and due diligence, account monitoring and trading. After discussions with each client, an agreed upon asset allocation model is selected which serves as a target when portfolio reviews take place. This may or may not include an amount of cash which represent dollars that are segregated from the rebalancing process.

*Investment Vehicles.* We primarily utilize mutual funds and ETFs to provide broad diversification within an asset class. We generally use a combination of "active" and "passive" management styles within these investments. Where appropriate, we will also use individual stocks and bonds, alternative investment strategies, certificates of deposit and other strategies.



Generally, the firm utilizes investments that are readily marketable. We employ these vehicles as part of an overall strategic asset allocation for a client, and in doing so, we possess a reasonable belief that the risk/return relationship for these securities will likely be beneficial for the investor over long periods of time. Here is a summary of those risks:

- ***Risk of Loss:*** Investing in most securities involve a risk of loss that clients should be prepared to bear. We endeavor to limit this risk through broad global diversification, but this methodology will still subject the client to declines in the value of their portfolios, which can at times be dramatic. Invested assets are generally long-term in nature and any dollars that cannot be subjected to portfolio volatility should be segregated from the asset allocated portfolio.
- ***Asset Allocation Risk.*** We invest in a broad array of asset classes and may allocate assets to an asset class that underperforms other asset classes. For example, we may overweight equity-related investments when the stock market is falling and the fixed income market is rising.
- ***Exchange-Traded Funds (“ETF”) Risk:*** ETFs are securities that track an index, a commodity, or a basket of assets like an index fund, but that trade like a stock on an exchange. ETFs can also be actively managed. ETFs experience price changes throughout the day as they are bought and sold.
- ***Mutual Fund Risk:*** Investing in mutual funds carries the risk of capital loss, and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns.
- ***Equity Investment Risk:*** Generally, refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value; the investment may incur a loss.
- ***Market Risk:*** The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. External factors cause this type of risk, independent of a security’s underlying circumstances. For example, political, economic, and social conditions can trigger market events.
- ***Stock Market Risk:*** The market value of stocks will generally fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term because of factors affecting the individual companies, industries, or the securities market.
- ***Credit Risk:*** The return on fixed income investments (e.g., bonds and preferred stock) is dependent on the issuer of the security meeting its commitment to making agreed upon payments. Credit risk is the risk that the issuer does not meet that obligation.
- ***Interest Rate Risk:*** Fluctuations in interest rates will cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Disciplinary Information

RDFA has no legal or disciplinary events to report that are material to its advisory business or the integrity of its management.

## Other Financial Industry Activities and Affiliations

Neither RDFA or any of its management persons is engaged in other financial industry activities or has other industry affiliations that would create a material conflict of interest.

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

RDFA firmly believes that our integrity and reputation depend on our ability to do the right thing for our clients at all times. RDFA's Code of Ethics is a set of policy statements and rules intended to assist employees and principals in making decisions about their conduct in relation to the firm's business. The Code establishes standards of acceptable professional conduct and encourages the highest ethical standards of its principals and employees. RDFA seeks to avoid material conflicts of interest. Accordingly, the firm and its representatives do not receive any third party direct monetary compensation (i.e. commissions, 12b-1 fees or other fees) from brokerage firms, custodians or mutual funds companies.

### *Code of Ethics for Financial Advisors and Employees*

The Code applies to all Financial Advisors and employees of the firm. RDFA's goal is to be seen as a standard-bearer within our industry for "fiduciary responsibility." While no set of rules can possibly anticipate or relieve all potential conflicts of interest, we have adopted the following eight principles to guide our activities.

1. **OBJECTIVITY:** RDFA employees strive to be as unbiased as possible when providing advice to clients. An employee shall examine each and every situation without prejudice or personal agenda.
2. **CONFIDENTIALITY:** RDFA employees value client privacy and will keep all client data private, unless release is authorized by the client or required by law.
3. **COMPETENCE:** RDFA employees maintain a high level of knowledge and professional competence. An employee shall only provide advice in areas in which he or she has knowledge and capability.
4. **FAIRNESS AND SUITABILITY:** Dealings and recommendations with clients will be in the client's best interests. RDFA employees will exercise care before making any product recommendations.
5. **INTEGRITY AND HONESTY:** RDFA employees will endeavor to avoid misunderstandings that can occur in normal interpersonal communications. Employees

should keep interactions with clients and other professionals at a level whereby there is no doubt or misinterpreting of the employees' intentions.

6. **REGULATORY COMPLIANCE:** RDFA employees will strive to maintain conformity with legal regulations.
7. **FULL DISCLOSURE:** RDFA employees will fully describe methods of compensation and actual or potential conflicts of interest, prior to a client's engagement of his/her services, or as soon as they become known.
8. **PROFESSIONALISM:** RDFA employees shall conduct themselves in a way that is a credit to RDFA at all times.

RDFA has established a compliance program to track daily, monthly, quarterly, and annual regulatory compliance activity. All RDFA employees and Financial Advisors must disclose various compliance related activities. All employees and Financial Advisors must verify and acknowledge understanding of the firm's Code of Ethics and Policies and Procedures Manual as updated or, at a minimum, annually.

***RDFA will provide a copy of the firm's Code of Ethics to any client or prospective client upon request.***

### *Participation or Interest in Client Transactions and Personal Trading*

RDFA or individuals associated with RDFA may buy or sell securities identical to or different than those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of RDFA that no person employed by RDFA may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory clients. RDFA monitors brokerage transactions for each employee and Financial Advisor of the firm. RDFA has established the following restrictions in order to ensure its fiduciary responsibilities are adhered to:

- 1) A Financial Advisor or employee of RDFA shall not buy or sell securities for their personal portfolio where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of RDFA shall prefer his or her own interest to that of the advisory client. Certain trades must be pre-cleared prior to placing the trade for all employees or Financial Advisors of the firm. These pre-clearances are reviewed by the CCO.
- 2) RDFA maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the CCO.
- 3) RDFA emphasizes the unrestricted right of a client to decline to implement any advice rendered, except in situations where RDFA is granted discretionary authority of the client's account.

- 4) RDFA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5) Any individual not in observance of the above may be subject to sanctions or termination.

## Brokerage Practices

RDFA recommends that clients use Charles Schwab & Co. Inc. (“Schwab”), member FINRA, SIPC, as the broker-dealer and custodian for their account. Schwab assists RDFA in servicing client accounts, which includes custody of securities, trade execution, clearance, and settlement of transactions. RDFA is independently owned and not affiliated with Schwab. RDFA’s use of Schwab is, however, a beneficial business arrangement for RDFA and for Schwab. Information regarding the benefits of this relationship is described below.

Factors considered in recommending a custodian and broker-dealer for client accounts include the existing relationship with RDFA, financial strength, reputation, reporting capabilities, execution quality, pricing, and types and quality of research. The fees charged by any designated broker-dealer or custodian are exclusive of, and in addition to, RDFA’s advisory fees.

RDFA does not warrant or represent that commissions for transactions implemented through Schwab will be lower than commissions available if clients use another brokerage firm. The determining factor in the selection of Schwab to place transactions for client accounts is not the lowest possible transaction cost, but whether Schwab can provide what is, in RDFA’s view, the best qualitative execution for client accounts. RDFA believes that the overall level of service and support provided to RDFA clients by this institution outweighs the potentially lower transaction cost available under other brokerage arrangements.

RDFA participates in the institutional customer program offered by the Schwab Institutional division of Charles Schwab & Co., Inc. (“SI”). There is no direct link between RDFA’s participation in the program and the investment advice it gives to its clients, although RDFA receives economic benefits through its participation in the programs that are typically not available to Charles Schwab & Co., Inc. retail investors. These benefits include the following products and services (provided to RDFA without cost or at a discount): duplicate client statements and confirmations, research-related products and tools, consulting services, access to a trading desk serving advisor participants, access to block trading, the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, access to mutual funds with no transaction fees and to certain institutional money managers, and discounts on compliance, marketing, research, technology, and practice management products provided to RDFA by third party vendors.

SI may also pay for business consulting and professional services received by RDFA’s related persons, and may pay or reimburse expenses (including travel, lodging, meals, etc.) for RDFA’s personnel to attend conferences or meetings relating to the program or to Schwab’s advisor custody and brokerage services generally.

Some of the products and services made available by SI through the program may benefit RDFA but may not directly benefit its client accounts. Other services made available by SI are intended to help

RDFA manage and further develop its business enterprise. The benefits received by RDFA through participation in the programs do not depend on the amount of brokerage transactions directed to SI.

Clients should be aware that the receipt of economic benefits by RDFA or its related persons in and of itself creates a potential conflict of interest and with the potential to indirectly influence RDFA's recommendation of SI for custody and brokerage services. RDFA also receives from SI certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include making available to RDFA software used for portfolio management, performance tracking, and cost basis reporting. This software may be partially or fully paid by SI, which is a benefit to RDFA.

These and other Additional Services are provided to RDFA by SI in its sole discretion and at its own expense, and RDFA does not pay any fees to SI for the Additional Services. RDFA has entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services with SI. RDFA's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to RDFA, SI most likely considers the amount of profitability to their firm as it relates to RDFA's client accounts maintained with SI. SI has the right to terminate the Additional Services Addendum with RDFA, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from SI, RDFA has an incentive to recommend to its clients that the assets under management by RDFA be held in custody with SI and to place transactions for client accounts with this custodian. RDFA's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including seeking the best execution of trades for client accounts.

RDFA reserves the right to decline acceptance of any client accounts that directs the use of a broker dealer other than SI, if RDFA believes that the broker dealer would adversely affect RDFA's fiduciary duty to the client or ability to effectively service the client portfolio. Nonetheless, clients may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for their account. If so, the client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. RDFA likely will not be able to negotiate commissions, obtain volume discounts or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct RDFA to use a particular broker or dealer and other clients who do not direct RDFA to use a particular broker or dealer.

RDFA engages in bunched or blocked trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when RDFA reasonably believes that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for nondiscretionary client accounts are not bunched with transactions for discretionary client accounts.

RDFA is not obligated to include any client account in a bunched trade. Bunched trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

It is RDFA policy that a client must not be disadvantaged for trade errors attributed to RDFA. Trades are amended to reflect the original intent of the transaction. If this change results in a loss, RDFA will reimburse this loss to the client. If this change results in a gain, that gain is applied to the client account.

## Review of Accounts

### *Wealth Management Services, Investment Advisory and Non-Profit Investment Advisory*

The underlying securities within Wealth Management Services accounts are continuously and actively monitored by one or more of the Financial Advisors of RDFA. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. The frequency of reviews may be triggered by material changes in variables such as the client's individual circumstances, the market and/or the political/economic environment.

In addition to portfolio statements generated and distributed by the qualified, third party custodian, RDFA makes available client performance reports. These reports are available upon request, and generally are reviewed at client meetings. All clients also have online access ability to view reports through online portals. The reports include rates of return, benchmark comparisons, data on individual securities and more.

Client review meetings are generally offered at least annually, and portfolio recommendations may be made reflecting changes in risk tolerance, income or capital appreciation needs, modification of asset allocation targets, and/or underlying investment position changes due to underperformance.

### *Financial Planning Services*

Due to the nature of this service, RDFA will not provide ongoing reviews of these accounts.

## Client Referrals and Other Compensation

In order to maintain our independence and objectivity, we do not pay any party for the referral of clients. While we have been fortunate to receive many referrals through the years from current clients and professional advisors, we want those referrals to be made on the merits of our service rather than based upon a financial benefit received by the referring party. In addition, we do not receive compensation from any affiliated party or allied professional that we may refer a client to for their services.

RDFA receives an economic benefit from Schwab in the form of support products and services it makes available to us if the client chooses to maintain accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which RDFA would otherwise have to pay once the value of our clients' assets in accounts at Schwab reach a certain size. Clients do not pay more for assets maintained at Schwab as a result of these arrangements. However, RDFA

benefits from the arrangement because the cost of these services would otherwise be borne directly by RDFA. The client should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit RDFA, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

RDFA avoids certain relationships with custodians and investment product providers which it believes might materially hamper its independence in providing advice to its clients. For this and other reasons, RDFA does not participate in client referral programs which may be sponsored by custodial firms.

## Custody

RDFA is deemed to have custody of client assets because it debits advisory fees directly from client accounts and facilitates the transfer of client funds to third parties. RDFA does not, however, act as the qualified custodian of your accounts. All clients receive account statements directly from their qualified custodians, such as their brokerage firm that maintains those assets. The client should carefully review these account statements and compare them to any supplemental performance reports provided by RDFA. All clients should compare the statements in order to ensure that all account transactions, including deductions to pay advisory fees or standing letters of authorization for money movement, remain proper. If there are any perceived discrepancies, the client should contact RDFA immediately. RDFA is not required to have clients' assets audited.

## Investment Discretion

The majority of RDFA accounts are managed on a discretionary basis. The type and amount of securities to be bought and sold in these accounts do not require advance approval from clients. For discretionary clients, RDFA requests that it be provided with written discretionary authority. This authority is provided through the executed Client Engagement Agreement. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

In the event of third-party investment advisory services being offered, the third-party money manager exercises discretion in the management of client accounts. All securities transactions are decided upon and executed by that manager. RDFA and its representatives generally do not manage or obtain discretionary authority over the assets in accounts participating in these programs. However, clients may grant RDFA the discretionary authority to hire and fire such third-party managers.

## Voting Client Securities

Unless the client designates otherwise, RDFA votes proxies for securities over which it maintains discretionary authority. RDFA votes proxies for our Wealth Management, Investment Advisory and Non-Profit Investment Advisory clients, with the exception of any assets held away from Charles Schwab Institutional or any private investment funds. Generally, we vote with management, as we believe that they are in a solid position to determine the proper courses of action for their respective companies. However, we do look at the merits of each vote to determine if we disagree with the recommendations from management. RDFA has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions made on behalf of client

accounts, and to verify that RDFA's decisions are in compliance with its fiduciary obligations to clients. When we vote proxies for a client, we do not allow the client to direct a vote in a particular solicitation.

RDFA's proxy voting policies and procedures, including information for you on how client securities were voted, are available upon written request to:

Ritter Daniher Financial Advisory LLC  
Attn: John K. Ritter, CFP®, CFS  
7661 Beechmont Avenue  
Suite 200  
Cincinnati, OH 45255

## Financial Information

RDFA is not aware of any financial condition that is reasonably likely to impair its ability to meet the firm's contractual commitments to its clients.