Item 1 Cover Page

Grimes & Company

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Brochure
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This brochure provides information about the qualifications and business practices of Grimes & Company Wealth Management, LLC ("Grimes"). If you have any questions about the contents of this brochure,please contact us at (508) 366-3883 or mdavide@grimesco.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.

Additional information about Grimes & Company Wealth Management, LLC is also available on the SEC's websiteat www.adviserinfo.sec.gov.

References herein to Grimes & Company Wealth Management, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes since our last Annual Amendment filing, dated March 13, 2025.

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Item 4 Advisory Business

A. Grimes & Company Wealth Management, LLC ("Grimes") was a corporation formed on October 20, 1999, in the Commonwealth of Massachusetts. Grimes subsequently filed a conversion, whereby the entity became a limited liability company in the state of Delaware. Grimes became registered as an Investment Adviser Firm in January 2000. Grimes is principally owned by Grimes Group, LLC which in turn is principally owned by Grimes Holding Company, Inc. Timothy Grimes is the Chairman of the Board and controls Grimes Holding Company, Inc.

B. As discussed below, Grimes offers to its clients (individuals, business entities, trusts, pension and profit-sharing plans, estates and charitable organizations, and state or municipal government entities.) investment advisory services. As also discussed below, Grimes may also provide financial planning services.

INVESTMENT ADVISORY SERVICES

Grimes works with each client to develop a customized investment strategy in an effort to satisfy the unique needs of each individual, family, or institution that they serve. Proprietary research and portfolio management systems are deployed to develop investment policy, implement portfolios and manage allocations and exposures.

MISCELLANEOUS

Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by an investment management client, Grimes remains available to address basic financial planning issues (i.e., estate planning, insurance, taxes, etc.), including, to the extent requested, referrals to corresponding unaffiliated professionals (i.e., attorney, CPA, insurance agent, etc.) for further review and potential implementation services. For those clients with assets under management in excess of $1 million (exceptions can be made at Grimes discretion), Grimes offers to provide more advanced financial planning services, including the opportunity to consider and/or create various types of basic estate planning documents in conjunction with an unaffiliated estate planning platform (which could require a separate and additional fee).

For clients who maintain less than $1 million of assets under management, Grimes may offer to provide advance financial planning services on a separate and additional fee basis.

When providing financial planning services, Grimes shall not be required to verify any documentation or information received from the client or from the client's other professionals and is expressly authorized to rely thereon. If any such documentation or information is inaccurate or incomplete, the corresponding results or recommendations could be inaccurate or incomplete.

Estate Planning Services: ("Vanilla"). As indicated above, as part of the financial planning process, Grimes can make available to its clients the opportunity to consider and/or create various types of basic estate planning documents (i.e., wills, trusts, etc.) in conjunction with the estate planning software platform provided by *Vanilla* (www.justvanilla.com). *Vanilla* and Grimes are separate unaffiliated businesses. All documents are provided utilizing *Vanilla's* estate planning platform. Grimes does not charge an additional fee to its clients to utilize *Vanilla*.

Grimes is not a law firm, and no portion of its services, including those provided in conjunction with *Vanilla*, should be considered as legal advice, or the substitute for the client's engagement of legal counsel.

For clients whose situation and needs require more sophisticated and customized estate planning advice and/or documents, the engagement of legal counsel should be considered. No client is under any obligation to utilize *Vanilla*.

Grimes does not serve as an attorney or an accountant, and no portion of our services should be construed as same. Accordingly, Grimes does not prepare legal documents or tax returns. As indicated above, to the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.). The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Grimes and/or its representatives.

If the client engages any unaffiliated professional, recommended or otherwise, and a dispute arises thereafter relative to such engagement, the engaged professional shall remain exclusively responsible for resolving any such dispute with the client. At all times, the unaffiliated engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and not Grimes, shall be responsible for the quality and competency of the services provided.

It remains the client's responsibility to promptly notify Grimes if there is ever any change their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Grimes'previous recommendations and/or services. It also remains the client's ultimate decision as to whether to engage Grimes to provide any of the above financial planning and related services and/or access thereto.

Affiliated Private Investment Fund. Grimes is affiliated with *High Income Opportunity Fund*, a private investment fund (the "Fund"), the complete description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the Fund's offering documents. Grimes, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Fund. Grimes' clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Conflict Of Interest. Because Grimes can earn compensation from the Fund that could exceed the fee that Grimes would earn under its standard asset-based fee schedule referenced in Item 5 below, the recommendation that a client become a Fund investor presents a conflict of interest. Given the conflict of interest, Grimes advises that clients consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming a Fund investor.

Unaffiliated Private Investment Funds. Grimes may provide investment advice regarding private investment funds. Grimes, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the fund's offering documents. Grimes' role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence

and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of calculating the client's investment advisory fee. Grimes' fee shall be in addition to the fund's fees. Clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

Risk: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for reviewand consideration. Unlike liquid investments that a client may maintain, private investmentfunds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establishthat he/she is qualified for investment in the fund, and acknowledges and accepts the variousrisk factors that are associated with such an investment.

Valuation: In the event that Grimes references private investment funds owned by the client on any supplemental account reports prepared by Grimes, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price. The client's advisory fee shallbe based upon reflected fund value(s).

Use of Mutual and Exchange Traded Funds: Grimes utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Grimes' investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

Socially Responsible (ESG) Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Grimes), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful. Grimes does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so. If implemented, Grimes shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

Bitcoin, Cryptocurrency, and Digital Assets. Grimes does not recommend or advocate for the purchase of, or investment in, Bitcoin, cryptocurrencies, or digital assets. Such investments are considered speculative and carry significant risk. For clients who want exposure to Bitcoin, cryptocurrencies, or digital assets, Grimes, may advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure.

Bitcoin and cryptocurrencies are digital assets that can be used for various purposes, including transactions, decentralized applications, and speculative investments. Most digital assets use blockchain technology, an advanced cryptographic digital ledger to secure transactions and validate asset ownership. Unlike conventional currencies issued and regulated by monetary authorities, cryptocurrencies generally operate without centralized control, and their value is determined by market supply and demand. While regulatory oversight of digital assets has evolved significantly since their inception, they remain subject to variable regulatory treatment globally, which may impact their risk profile and liquidity.

Given that cryptocurrency investments are speculative and subject to extreme price volatility, liquidity constraints, and the potential for total loss of principal, Grimes does not exercise discretionary authority to purchase cryptocurrency investments for client accounts. Any investment in cryptocurrencies must be expressly authorized by the client. Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility, regulatory risk, technological risk, security and custody risk, and complete loss of principal.

Long/Short Equity Strategy. Grimes can allocate client assets to Aperio, an unaffiliated separate account manager (the "Manager") to employs a long/short equity investment strategy (the "Strategy") whereby both long and short positions will be maintained within the same portfolio. Long-short equity is an investment strategy that seeks to take a long position in underpriced stocks while selling short, overpriced shares.

There can be no assurance that the Strategy will prove successful.

The Strategy employs margin. The use of margin permits the Manager to borrow money to buy securities. The broker/custodian for the Strategy account charges the account interest for the right to borrow money and uses the account securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses.

Two Separate Strategy Advisory Fees: The client will incur separate advisory fees for the Manager and Grimes.

Opt-Out: A client can advise Grimes, in writing, not to allocate any assets to the Strategy.

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Grimes recommends that a client roll over their

retirement plan assets into an account to be managed by Grimes, such a recommendation creates a conflict of interest if Grimes will earn new (or increase its current) compensation as a result of the rollover. If Grimes provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Grimes is acting as a fiduciary 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. No client is under any obligation to roll over retirement plan assets to an account managed by Grimes, whether it is from an employer's plan or an existing IRA.

ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:

- **Trustee Directed Plans**. Grimes may be engaged to provide investment advisory services to ERISA retirement plans, whereby Grimes shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Grimes will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Grimes will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and Grimes.

- **Participant Directed Retirement Plans**. Grimes may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Grimes and the Plan. For such engagements, Grimes shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Grimes), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

- **Client Retirement Plan Assets**. If requested to do so, Grimes shall provide investment advisory services relative to the client's 401(k) plan assets. In such event, Grimes shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. Grimes shall be limited to making recommendations regarding the allocation of the assets among the investment alternatives available through the plan. Grimes will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Grimes of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by Grimes to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for purposes of Grimes calculating its advisory fee. Grimes does not maintain client passwords to make account changes.

OTHER:

Portfolio Activity. Grimes has a fiduciary duty to provide services consistent with the client's best interest. Grimes will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Grimes determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

Tradeaway / Prime Broker Fees. If, in the reasonable determination of Grimes, it would be beneficial for certain client accounts, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and separate "tradeaway" and/or prime broker fee charged by the account custodian (i.e., Schwab, Fidelity, etc.). Specifically, for smaller, non-platform accounts, Grimes may use the fixed income analysis, support and execution services provided by SP Financial Group of Arkadios Capital.

Sub-Advisory Engagements. Grimes may also serve as a sub-adviser to unaffiliated registered investment advisers per the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage Grimes' sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Grimes' designated investment strategies. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, Grimes will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Grimes. Higher transaction costs adversely impact account performance.

Independent Managers. Grimes may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager(s)* shall have day-to-day responsibility for the active discretionary management of the allocated assets. Grimes shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Grimes shall consider in recommending *Independent Manager(s)* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by the *Independent Manager(s)* is separate from, and in addition to, Grimes' advisory fee as set forth in the fee schedule at Item 5 below.

Cash Positions. Grimes continues to treat cash as an asset class. As such, unless determined to the contrary by Grimes, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Grimes' advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Grimes may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Grimes' advisory fee could exceed the interest paid by the client's money market fund.

Cash Sweep Accounts. Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion Grimes shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Grimes reasonably

anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

The above does not apply to the cash component maintained within a Grimes actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager and cash balances maintained for fee billing purposes.

The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Grimes unmanaged accounts.

Client Obligations. In performing its services, Grimes shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Grimes if there is ever any change their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Grimes' previous recommendations and/or services.

Cybersecurity Risk. The information technology systems and networks that Grimes and its third-party service providers use to provide services to Grimes' clients employ various controls that are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Grimes' operations and/or result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Grimes are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur financial losses and/or other adverse consequences. Although Grimes has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Grimes does not control the cybersecurity measures and policies employed by third-party service providers, issuers of securities, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges and other financial market operators and providers.

Client Privacy and Confidentiality. Grimes maintains policies and procedures designed to help protect the confidentiality and security of client nonpublic personal information ("NPPI"). NPPI includes, but is not limited to, social security numbers, credit or debit card numbers, state identification card numbers, driver's license number and account numbers. Grimes maintains administrative, technical, and physical safeguards designed to protect such information from unauthorized access, use, loss, or destruction. These safeguards include controls relating to data access, information security, and incident response, and are reviewed to address changes in risk and business. Client information may be disclosed in response to regulatory requests, legal obligations, or as otherwise permitted by law, and any such disclosure is made in accordance with applicable privacy and confidentiality requirements.

Grimes may engage non-affiliated service providers in connection with providing advisory services, and such providers may have access to client NPPI, as necessary, to perform their functions. Grimes confirms that service providers maintain safeguards designed to protect client information from unauthorized access or use and provide notice to Grimes in the event of a cybersecurity incident involving client information maintained by the service provider. While Grimes maintains policies and procedures designed to protect client information, such measures cannot eliminate all risk. Grimes will notify clients in the event of a data breach involving their NPPI as may be required by applicable state and federal laws.

Disclosure Statement. A copy of Grimes' written Brochure and Client Relationship Summary, as set forth on Part 2A of Form ADV and Form CRS respectively, shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

C. Grimes shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Grimes shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Grimes' services.

D. Grimes does not participate in a wrap fee program.

E. As of December 31, 2025, Grimes had $6,122,963,410 in regulatory assets under management on a discretionary basis and $175,796,103 on a non-discretionary basis for a combined $6,298,759,513 in regulatory assets under management.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Grimes to provide discretionary investment advisory services on a negotiable fee basis. Annual management fees are calculated as a percentage (%) of the market valuation of assets under management, generally in accordance with the following published schedule of fees. Note that multiple client accounts are aggregated for fee calculation purposes.

Market Value of Portfolio	% of Assets
Under $500,000	1.25%
$500,000.01- $2,000,000	1.00%
$2,000,000.01- $7,000,000	0.75%
$7,000,000.01- $10,000,000	0.65%
Over $10,000,000.01	0.50%

The published fee schedule is tiered in nature. Accordingly, the fee is 1.25% for the first $500,000, 1.00% on the next $1,500,000, 0.75% for the following $5,000,000, etc. This annual fee shall be prorated and paid quarterly in arrears based on the market value of the assets on the last day of the previous quarter. In certain situations, the specific fee paid may differ from the above published schedule if agreed to in advance.

B. Clients shall have Grimes' advisory fees deducted from their custodial account. Both Grimes' *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Grimes' investment advisory fee and to directly remit that management fee to Grimes in compliance with regulatory procedures. In the limited event that Grimes bills the client directly, payment is due upon receipt of Grimes' invoice. Grimes shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets as of the last business day of the previous quarter.

C. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Grimes generally recommends that *Schwab, Fidelity* and/or *TradePMR* serve as the broker-dealer/custodian for client investment management assets.

Broker-dealers such as *Schwab, Fidelity* and *TradePMR* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *Schwab* and *Fidelity*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do.

There can be no assurance that *Schwab* or *Fidelity* will not change their transaction fee pricing in the future.

Schwab and *Fidelity* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically.

Clients will incur, in addition to Grimes' investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

Those clients who participate in the *High Income Opportunity Fund* may incur an additional custodial charge between $125 and $250 (depending on the custodian) annually for costs associated with reporting on the value of the Fund.

These fees/charges are in addition to Grimes' investment advisory fee at Item 5 below. Grimes does not receive any portion of these fees/charges.

D. Grimes' annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. Grimes generally requires a minimum asset level of $500,000 for investment advisory services. Clients referred to Grimes through either the Schwab Advisor Network or the Fidelity Wealth Advisor Solutions Program® are generally subject to a minimum asset requirement of $1,000,000.

Grimes, in its discretion, may waive its minimum asset level, charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account

composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.).

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

The *Investment Advisory Agreement* between Grimes and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

E. Neither Grimes, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Grimes nor any supervised person of Grimes charge performance-based fees on client accounts.

Item 7 Types of Clients

Grimes' clients shall generally include individuals, business entities, trusts, estates and charitable organizations, pension and profit-sharing plans, and state or municipal government entities.

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

A. Grimes may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis of price trends and volatility)

Grimes may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Grimes) will be profitable or equal any specific performance level(s).

B. Grimes' methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate

market analysis Grimes must have access to current/new market information. Grimes has no control over the dissemination rate of market information; therefore, unbeknownst to Grimes, certain analyses may be compiled with outdated market information, severely limiting the value of Grimes' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Grimes' primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Grimes may also implement and/or recommend options transactions. This strategy has a high level of inherent risk. (*See* discussion below).

Options Strategies.
Grimes may engage in options transactions (or engage an independent investment manager to do so) for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of "hedging" a potential market risk in a client's portfolio and/or generating income for a client's portfolio.

Certain options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Grimes, in writing, not to employ any or all such strategies for their accounts.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

  These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of

more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Grimes does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). Grimes does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Grimes:

- by taking the loan rather than liquidating assets in the client's account, Grimes continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Grimes, Grimes will receive an advisory fee on the invested amount; and,
- if Grimes' advisory fee is based upon the higher margined account value (***see*** margin disclosure at Item 5 above), Grimes will earn a correspondingly higher advisory fee. This could provide Grimes with a disincentive to encourage the client to discontinue the use of margin.

The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loan.

Box Spreads: As an alternative to traditional margin loans, Grimes may recommend clients seeking liquidity execute a Box Spread. A Box Spread is a combination of four options contracts constructed to produce a fixed payoff at a defined future date, regardless of the performance of the underlying asset. A Box Spread consists of four legs that hedge each other completely. The intended result is a synthetic financing instrument with predetermined, fixed repayment obligation and expiration.

Risks of Box Spread Financing

Clients should be aware of the following risks before engaging in Box Spread financing:

- **Fixed repayment obligation:** Unlike a traditional margin loan that can be reduced incrementally, a Box Spread creates a fixed obligation payable at a specific expiration date. If portfolio values decline significantly, the client may face difficulty meeting this obligation without liquidating holdings.
- **Margin call risk:** Although Box Spread borrowing avoids traditional margin interest, the position still affects the account's margin maintenance equity. A significant decline in collateral value could trigger a margin call, requiring the deposit of additional assets or the liquidation of positions.
- **Complexity and execution risk:** Box Spreads involve four simultaneous options legs. Improperly executed trades can result in unintended market exposure. Grimes will take reasonable steps to ensure accurate execution, but clients should understand that options markets can experience periods of illiquidity or wide bid-ask spreads.
- **Rollover and refinancing risk:** If a client wishes to maintain borrowings beyond the original expiration date, the Box Spread must be rolled — closed and re-opened at current market rates. The new borrowing rate will reflect market conditions at that time and may be higher or lower than the original rate.

- **Regulatory and custodian changes:** The availability of Box Spread financing depends on custodian policies, exchange rules, and applicable regulations, which are subject to change.

Client Obligations. In performing our services, Grimes shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify Grimes if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Grimes) will be profitable or equal any specific performance level(s).

C. Currently, Grimes primarily allocates client investment assets among various no-load and/or load-waived mutual fund classes and/or individual debt and equity securities, and, on a limited basis, independent managers, on a discretionary basis in accordance with the client's designated investment objective(s). (*See* Independent Managers in Item 4.B above).

Interval Funds/Risks and Limitations: Where appropriate, Grimes may utilize interval funds. An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares, and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund's shares. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be no assurance that an interval fund investment will prove profitable or successful. Rather, like any type of investment, an interval fund, at any specific point in time, or over any specific time-period, can suffer losses, including the potential for substantial losses. In light of these enhanced risks, a client may direct Grimes, in writing, not to purchase interval funds for the client's account.

Inverse/Enhanced Market Strategies. Grimes may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certainmarket indices (at a rate of 1 or more times the actual result of the corresponding index) asan

investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. To the contrary, such funds and/or strategy(ies) can suffer substantial losses. In light of these enhanced risks/rewards, a client may direct Grimes, in writing, not to employany or all such strategies for the client's account.

Item 9 Disciplinary Information

Grimes has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

A. Neither Grimes, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Grimes, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. **Grimes Wealth Protection Group - Licensed Insurance Agents**. Grimes Wealth Protection Group, LLC is an affiliated licensed insurance agency. Also, certain of Grimes' related persons, in their individual capacities, are licensed insurance agents, and may recommend the purchase of insurance-related products on a commission basis. Clients can engage these related insurance professionals to effect insurance transactions on a commission basis.

The recommendation by either Grimes or its related persons, that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions provides an incentive to recommend products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products through Grimes Wealth Protection Group or from Grimes' related persons. Clients are reminded that they may purchase insurance products recommended by Grimes through other, non-affiliated insurance agencies or agents.

S&C Tax Advisors. S&C Tax Advisors is an affiliated tax firm. Clients can engage S&C Tax Advisors to provide tax services on a separate fee basis. Related persons of Grimes may recommend S&C Tax Advisors' services.

The recommendation by either Grimes or its related persons, that a client engage the services of S&C Tax Advisors presents a conflict of interest, as the receipt of direct or indirect compensation provides an incentive to recommend S&C Tax Advisors based on additional compensation, rather than on a particular client's need. No client is under any obligation to engage S&C Tax Advisors. Clients are reminded that they may engage the tax advisor of their choosing.

New clients referred through the Fidelity Wealth Advisor Solutions Program® and Schwab Advisor Network® who maintain more than $3,000,000 in assets under management with Grimes and engage S&C Tax Advisors for tax preparation services may, subject to approval by a member of Grimes' management, receive a $1,500 credit toward S&C Tax Advisors' tax preparation services. The credit applies exclusively to tax preparation services. Once approved, the credit will remain available provided the client continues to

maintain a client relationship with Grimes and has at least $3,000,000 in billable assets under management with Grimes as of December 31 of each year.

Grimes Trust Services. Grimes is affiliated with Grimes Trust Services, a corporate trustee that offers trustee services under a separate engagement. Related persons of Grimes may recommend Grimes Trust Services. The recommendation by either Grimes or its related persons, that a client engage Grimes Trust Services presents a conflict of interest, as the receipt of direct or indirect compensation provides an incentive to recommend Grimes Trust Services. No client is under any obligation to engage Grimes Trust Services. Clients are reminded that they may obtain trustee services through other, non-affiliated trustees.

D. Grimes does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

A. Grimes maintains an investment policy relative to personal securities transactions. This investment policy is part of Grimes' overall Code of Ethics, which serves to establish a standard of business conduct for all of Grimes' Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Grimes also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Grimes or any person associated with Grimes.

B. Neither Grimes nor any related person of Grimes recommends, buys, or sells for client accounts, securities in which Grimes or any related person of Grimes has a material financial interest.

C. Grimes and/or representatives of Grimes may buy or sell securities that are also recommended to clients. This practice may create a situation where Grimes and/or representatives of Grimes are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Grimes did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Grimes' clients) and other potentially abusive practices.

Grimes has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Grimes' "Access Persons". Grimes' securities transaction policy requires that an Access Person of Grimes must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide or make available to the Chief Compliance Officer or his/her designee a list of reportable transactions each calendar quarter as well as a written annual report of the Access Person's securities holdings; provided, however that at any time that Grimes has only one Access Person, he or she shall not be required to submit any securities report described above.

D. Grimes and/or representatives of Grimes *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Grimes and/or representatives of Grimes are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Grimes has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Grimes' Access Persons.

Item 12 Brokerage Practices

A. In the event that the client requests that Grimes recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Grimes to use a specific broker-dealer/custodian), Grimes generally recommends that investment management accounts be maintained at *Fidelity, Schwab,* and/or *TradePMR*. Prior to engaging Grimes to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Grimes setting forth the terms and conditions under which Grimes shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Grimes considers in recommending *Fidelity, Schwab*, and/or *TradePMR* (or any other broker-dealer/custodian to clients) include historical relationship with Grimes,financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Grimes' clients shall comply withGrimes' duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Grimes determines, in good faith, that the commission/transaction fee is reasonable. 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 rangeof a broker-dealer's services, including the value of research provided, execution capability,commission rates, and responsiveness. Accordingly, although Grimes will seek competitiverates, it may not necessarily obtain the lowest possible commission rates for client accounttransactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Grimes' investment management fee. Grimes' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined atthe daily market close.

Grimes utilizes Trade-PMR, Inc. ("Trade-PMR") for brokerage and trade execution services. Trade-PMR clears trades and custodies assets with First Clearing, FINRA member broker-dealers. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker dealers and FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR or any other designated broker-dealer are exclusive of and in addition to Grimes' fee. Grimes regularly reviews these programs to seek to ensure that its recommendation is consistent with its fiduciary duty. Factors which Grimes considers in recommending Trade-PMR and First Clearing or any other broker-dealer or custodian to clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Trade-PMR provides Grimes with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Additionally, Grimes may receive the following benefits from Trade-PMR: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

1. Non-Soft Dollar Research and Additional Benefits

   Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Grimes can receive from *Fidelity* and/or *Schwab* (or another broker-dealer/custodian, or investment platform, vendor, or product sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Grimes to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Grimes may be investment-related research, pricing information and market data, software and other technology that provide access to clientaccount data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Grimes in furtherance of its investment advisory business operations.

   As indicated above, certain of the support services and/or products that can be received may assist Grimes in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Grimes to manage and further develop its business enterprise.

   There is no corresponding commitment made by Grimes to *Fidelity* and/or *Schwab* or any other entity to invest any specific amount or percentage of clientassets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Referral Programs:

   Fidelity Referral Program. As discussed at Item 14 below, Grimes participates in the Fidelity Wealth Advisor Solutions Program® (the "WAS" Program). Grimes' participation in the referral program may raise potential conflicts of interest, since Fidelity will most likely refer clients to investment advisors that encourage their clients to custody their assets at Fidelity.

   Participation in Schwab Advisor Network®. As discussed at Item 14 below, Grimes mayreceive client referrals from its participation in the Schwab Advisor Network®. Grimes' participation in the program may raise conflicts of interest, since Schwab would likely refer clients to investment advisors that encourage their clients to custody their assets at Schwab.

Directed Brokerage. Grimes recommends that its clients utilize the brokerage and custodial services provided by *Fidelity* and/or *Schwab*. Grimes generally does not accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Grimes will not seek better execution services orprices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Grimes. As a result, a client may pay higher commissions or other transaction costs orgreater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Grimes to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may causethe accounts to incur higher commissions or transaction costs than the accounts wouldotherwise incur had the client determined to effect account transactions throughalternative clearing arrangements that may be available through Grimes. Highertransaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

B. Transactions for each client account generally will be affected independently, unless Grimes decides to purchase or sell the same securities for several clients at approximately the same time. Grimes may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among Grimes' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Grimes shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

A. For those clients to whom Grimes provides investment supervisory services, accountreviews are conducted on an ongoing basis by Grimes' Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Grimes of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Grimes on an annual basis.

B. Grimes may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Grimes may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

A. As referenced in Item 12.A.1 above, Grimes can receive economic benefit from *Fidelity,* and/or *Schwab*. Grimes, without cost (and/or at a discount), may receive support services and/or products from *Fidelity* and/or *Schwab*.

Thereis no corresponding commitment made by Grimes to *Fidelity* and/or *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

B. Grimes engages promoters to introduce new prospective clients to Grimes consistent with the Investment Advisers Act of 1940, and applicable state regulatory requirements. If the prospect subsequently engages Grimes the promoter shall generally be compensated by Grimes for the introduction. Because the promoter has an economic incentive to introduce the prospect to the Grimes, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to Grimes (i.e., if the prospect was to engage Grimes independent of the promoter's introduction).

Participation in Fidelity Wealth Advisor Solutions®. Grimes participates in the Fidelity Wealth Advisor Solutions Program® (the "WAS" Program), through which Grimes receives referrals from Strategic Advisers LLC ("Strategic Advisors"), a registered investment adviser and Fidelity Investments company. Grimes is independent and not affiliated with Strategic Advisors or any Fidelity Investments company. Strategic Advisors does not supervise or control Grimes, and Strategic Advisors has no responsibility or oversight for Grimes' provision of investment management or other advisory services.

Under the WAS Program, Strategic Advisors acts as a solicitor for Grimes, and Grimes pays referral fees to Strategic Advisors for each referral received based on Grimes' assets under management attributable to each client referred by Strategic Advisors or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from Strategic Advisors to Grimes does not constitute a recommendation by Strategic Advisors of Grimes' particular investment management services or strategies. More specifically, Grimes pays the following amounts to Strategic Advisors for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by Strategic Advisors, and (ii) an annual percentage of 0.25% of all other assets held in client accounts.

For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven-year limitation.

In addition, Grimes, has agreed to pay Strategic Advisors an annual program fee of $50,000 to participate in the WAS Program. These referral feesare paid by Grimes and not the client.

Although Grimeswill allocate client assets consistent with the client's designated investment objective, the fact that Grimes pays lesser referral compensation (and, as a result, retains a greater portion of its advisory fee) when it allocates assets to Strategic Advisors identified as fixed income assets, Grimes has a conflict of interest since it is presented with an economic incentive to allocate more dollars to those types of assets which will permit it to retain a greater portion of its advisory fee.

To receive referrals from the WAS Program, Grimes must meet certain minimum participation criteria, but Grimes has been selected for participation in the WAS Program as a result of its other business relationships with Strategic Advisors and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Grimes may have a potential conflict of interest with respect to its decision to use certain affiliates of Strategic Advisors, including FBS, for execution, custody and clearing for certain client accounts, and Grimes could an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Grimes as part of the WAS Program.

Under an agreement with Strategic Advisors, Grimes has agreed that Grimes will not charge clients more than the standard range of advisory fees disclosed in this Form ADV Part 2A Brochure to cover solicitation fees paid to Strategic Advisors as part of the WAS Program. Pursuant to these arrangements, Grimes has agreed not to solicit clients to transfer their brokerage accounts from affiliates of Strategic Advisors or establish brokerage accounts at other custodians for referred clients other than when Grimes' fiduciary duties would so require, and Grimes has agreed to pay Strategic Advisors a one-time fee equal to 0.75% of the assets in a clientaccount that is transferred from Strategic Advisors' affiliates to another custodian; therefore, Grimes has an incentive to suggest that referred clients and their household members maintaincustody of their accounts with affiliates of Strategic Advisors. However, participation in the WAS Program does not limit Grimes' duty to select brokers on the basis of best execution.

Participation in Schwab Advisor Network®. Grimes participates in and receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Grimes' participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of an unaffiliated with Grimes. Schwab does not supervise Grimes and has no responsibility for Grimes' management of clients' portfolios or Grimes' other advice or services. Grimes pays Schwab fees to receive client referrals through the Service. Grimes' participation in the Service raises potential conflicts of interest described below.

Grimes pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a separate one-time Transfer Fee on all accounts that are transferred to another custodian. The Transfer Fee creates a conflict of interest that encourages Grimes to recommend that client accounts be held in custody at Schwab. The Participation Fee paid by Grimes is a percentage of the value of the assets in the client's account. Grimes pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee and any Transfer fee is paid by Grimes and not by the client. Grimes has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Grimes charges clients with similar portfolios who were not referred through the Service.

The Participation and Transfer Fees are based on assets in accounts of Grimes' clients who were referred by Schwab and those referred clients' family members living in the same household. Therefore, Grimes will have incentives to recommend that client accounts and household members of clients referred through the Service maintain custody of their accounts at Schwab.

TradePMR. As noted in Item 12, Grimes will receive additional benefits from Trade-PMR which includes electronic systems that assist in the management of Grimes client accounts, access to research, the ability to directly debit client fees, software and other technology that

provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

Item 15 Custody

Grimes shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Fidelity, Schwab, etc.) at least quarterly. Clients are urged to compare statements received from Grimes to statement provided by the custodian.

The account custodian does not verify the accuracy of Grimes' advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Grimes to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-ActionLetter, the affected accounts are not subject to an annual surprise CPA examination.

Item 16 Investment Discretion

The client can determine to engage Grimes to provide investment advisory services on a discretionary basis. Prior to Grimes assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Grimes as the client's attorney and agent in fact, granting Grimes full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Grimes on a discretionary basis may, at any time, impose restrictions, in writing, on Grimes' discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Grimes' use of margin, etc.).

Item 17 Voting Client Securities

Unless a client directs otherwise in writing, in conjunction with the proxy voting and due diligence services provided by Broadridge Financial Solutions, Inc. ("Broadridge"), or its successors or assignees, Grimes, shall be responsible for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted. Grimes and/or the client shall correspondingly instruct each custodian of the client's assets to forward Grimes copies of all proxies and shareholder communications relating to such assets.

Grimes has adopted written Proxy Voting Policies and Procedures designed to help ensure that proxies are voted in the best interests of clients and in a manner consistent with Grimes' fiduciary duty. Grimes uses Glass Lewis & Co., LLC ("Glass Lewis"), an independent proxy

advisory firm, as its primary source of proxy research, analysis, and voting recommendations. Although Grimes generally evaluates proxy proposals based on the research and recommendations provided by Glass Lewis, Grimes retains ultimate authority and discretion over all proxy voting decisions. Accordingly, Grimes may determine that voting in accordance with management's recommendation, or contrary to a Glass Lewis recommendation, is in the best interests of clients.

Grimes monitors proxy proposals concerning the election of directors, executive compensation, corporate governance, mergers and acquisitions, changes in capital structure, shareholder rights, and other matters affecting shareholder interests. Grimes casts proxy votes in a manner it believes is in the best interests of affected clients.

Grimes seeks to identify and address material conflicts of interest that may arise in connection with its proxy voting responsibilities. When a material conflict is identified, Grimes will take appropriate steps to ensure that the proxy is voted in the client's best interest. These steps may include relying on an independent recommendation from Glass Lewis or taking other actions that Grimes determines are appropriate under the circumstances.

Grimes shall maintain records pertaining to proxy voting as required pursuant to the Investment Advisers Act of 1940. In addition, information pertaining to how Grimes voted on any specific proxy or a copy of Grimes' Proxy Voting Policies and Procedures are available upon written request.

Class Actions: The client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the assets managed by Grimes, including, but not limited to, class action lawsuits. Grimes has identified an unaffiliated service provider (Broadridge) to assist the client, for a fee (generally 20 % of the recovery) with class-action matters. Grimes shall not receive any compensation from the service provider. The client is under no obligation to engage the service provider.

Grimes does not participate in class action proceedings on behalf of its clients. Thus, if the client chooses not to engage Broadridge, the client will be exclusively responsible to monitor and pursue all class action claims.

Fair Fund Process: In the event that Broadridge is required to process a Fair Fund payment (i.e., a fund established by the SEC to distribute money to defrauded investors), Broadridge shall deposit the gross settlement into the client's account. However, Broadridge, unlike it does for class action settlements, will not deduct its percentage fee from the client's gross settlement unless and until it is expressly permitted to do so by applicable law or regulation.

Grimes does not vote client proxies for 401k accounts, 529 plans, or accounts managed by third parties.

Item 18 Financial Information

A. Grimes does not solicit fees of more than $1,200, per client, six months or more inadvance.

B. Grimes is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

C. Grimes has not been the subject of a bankruptcy petition.

Grimes' Chief Compliance Officer, Michael J. Davide remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.