

Item 1: Cover Page



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Form ADV, Part 2A



ADOLOS  
ASSET MANAGEMENT

DELIVERING EXTRAORDINARY

*This brochure provides information about the qualifications and business practices of Adolos Asset Management. If you have any questions about the contents of this brochure, contact us at 336-817-1604 or via email at [Joe@AdolosAM.com](mailto:Joe@AdolosAM.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Adolos Asset Management is registered as an Investment Advisor with the SEC. Our registration does not imply a certain level of skill or training. Additional information about Adolos Asset Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Firm Brochure Dated 02/20/2023*

## Item 2: SUMMARY OF MATERIAL CHANGES

In this Item, Adolos AM is required to discuss any material changes that have been made to the brochure since the last annual updating amendment. There are no material changes to report since our last annual amendment dated February 4, 2022.

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## ITEM 4: ADVISORY BUSINESS

### **4.1 - Firm Description and Ownership**

Adolos Asset Management (“Adolos AM”), owned by Joseph Freeman, is a Registered Investment Advisory firm established in June 2021. As of December 31, 2022, Adolos AM had approximately \$137,529,396 in assets under management, which are managed on both a discretionary and non-discretionary basis.

As a fiduciary, we must disclose any conflict, or potential conflict, to you prior to and throughout our advisory relationship. We are legally and ethically required to always act in your best interest. We have adopted a Code of Ethics and fully disclose how we are compensated (see Item 11 below). This minimizes conflicts of interest. We give advice and manage your portfolio based on your unique situation and goals. We charge you directly for our investment management and no other financial reward is provided, directly or indirectly by any other institution to us.

### **4.2 - Investment Advisory Services**

We offer an institutional quality investment advisory platform through our alliances with Charles Schwab & Co., Inc (“Schwab”), Blueprint Investment Partners, and Orion Advisor Technology. This high-quality platform combined with our expertise provides you with investment management that is tailored and personal. We work with you to develop your investment policy statement based on your financial goals, personal values, and tolerance for volatility. Implementation begins with our selecting the allocation strategies appropriate for your risk appetite. Model selection is dependent on existing holdings, type of account, your personal preference, and size of the portfolio.

You can request restrictions or customizations in your accounts. We do reserve the right to refuse/terminate management of your account if your restrictions or customizations aren’t in line with your investment policy statement or our policies and procedures.

You will be required to execute an Investment Management Agreement with us. This Agreement outlines the services to be performed, as well as the fees for those services. You are under no obligation to engage or to continue to engage us for advisory services. If you do not receive a copy of this brochure at least 48 hours prior to the execution of the Agreement, you may terminate the Agreement at any time within the first five (5) business days without penalty.

### **4.3 - Financial Planning Services**

We do not offer financial planning. However, we may perform incidental planning services at our discretion. Any potential conflicts of interest related to financial planning services are addressed in our Code of Ethics (see Item 11 below).

## ITEM 5: FEES AND COMPENSATION

### 5.1 - Fees Charged

The only way we are paid is by the investment management advisory fee. It doesn't matter which investments we recommend to you. It doesn't matter how frequently we trade in your account. It doesn't matter which other investment products we might recommend to you. We are not paid, nor impacted by any of these types of factors. The only fee we receive is from you. As a result, we have no conflicts as far as which investments to pick for you. We do what's solely in your best interest.

Our advisory fee is based on a percentage of the market value of the assets under management ("account value"). In calculating your market value, assets allocated to cash or a cash proxy, such as a money market fund, will be included in the calculation of assets under management. This prevents a conflict of interest. Otherwise, we would benefit by your account containing less cash and more investments. Fees may be modified based on a client's specific circumstances that may, in our view, either increase or decrease expenses related to the administration of their account(s). Our standard advisory fee schedule is:

Account Value	Quarterly Advisory Fee	Annual Advisory Fee
<b>\$0 - \$3,000,000</b>	0.2375%	0.95%
<b>\$3,000,001 - \$10,000,000</b>	0.2000%	0.80%
<b>\$10,000,001 - \$50,000,000</b>	0.1500%	0.60%
<b>\$50,000,001 - \$100,000,000</b>	0.1250%	0.50%
<b>\$100,000,001 and above</b>	0.0875%	0.35%

### 5.2 - Fee Payment

Fees are collected in arrears. Immediately after the end of each quarter, we collect our fee based on that end of quarter market value. This is in accordance with the above fee schedule. Your authorized custodian will debit your account for the amount of the advisory fee and directly remit the fee to us, following all regulatory procedures. The custodian-provided statements will reflect the payment of the advisory fee to us. Our fees are subject to change upon notice not less than thirty (30) calendar days in advance.

As mentioned above, all advisory fees are based on the consideration of many factors including, but not limited to the complexity of the relationship, the anticipated number of meetings, client's future earning capacity, potential future size of the relationship, and the length of relationship with us or our representatives. Your fee schedule will be documented in writing.

A potential conflict of interest exists because the total fees you pay us increase with the size of your account. This creates an incentive for us to recommend that you increase the assets, or risk level, in your account. At the same time, if your account decreases in value, our management fee earned decreases. This type of potential conflict of interest is addressed in our Code of Ethics (see Item 11 below).

### **5.3 - Other Fees**

We have the authority to invest your assets in investments such as, but not limited to, mutual funds, exchange traded funds (ETFs), and/or third-party investment managers. These types of investments will have their own fees/expenses in addition to the advisory fee we charge. These manager and fund fees should not be confused with “loads” or commissions.

There can also be transaction fees from the custody or purchase/sale of investments in your account. For example, you are responsible for paying transaction fees for certain no-load mutual funds to the custodian, or management fees or fund expenses (mutual fund or ETF) to a brokerage firm.

All fees and expenses paid to us are separate and distinct from the fees/expenses charged by custodians and individual mutual funds or ETFs. In addition, all direct and indirect costs are fully detailed and explained to you.

### **5.4 - Pro-rata Fees**

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time for which the assets were managed during the billing period. An account may be terminated without penalty if we receive written notice at least thirty (30) calendar days in advance. A withdrawal from a hedge fund or private equity investments will typically require a longer advance notice.

### **5.5 - Compensation for the Sale of Securities**

This item is not applicable.

## **Item 6: PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT**

We do not charge additional fees based on the capital appreciation of your assets or a share of capital gains (“performance-based fees”). There are no performance-based arrangements and therefore we do not participate in any side-by-side management.

## Item 7: TYPES OF CLIENTS

We provide investment management services to individuals, high net-worth individuals, corporations, trusts, estates, endowments, and charitable foundations. There is no minimum account size to become our client.

We have policies and procedures that strive to avoid any actual or potential conflicts of interest. However, such conflicts occur from our managing many client accounts at the same time. For example, we might buy an investment for you while we are selling the same investment in another client's account. Also, we might give different investment advice to you as compared to another client, even if your portfolios are similar. These types of decisions could be based on many factors including, but not limited to:

- your goals/objectives
- your tax status,
- guidelines found in your investment policy statement

## Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### **8.1 - Methods of Analysis**

Our process starts with understanding your financial goals, personal values, and volatility tolerance. We develop your investment policy statement firmly rooted in each of these. This is the roadmap for your investment portfolio design. The strategic allocation is detailed in your personalized investment policy statement. It represents your objectives and incorporates the long-term targets of the portfolio. Actual investment allocations will be tactically managed around these targets. The strategic allocation is the benchmark against which our process is measured.

### **8.2 - Investment Strategies**

We use five strategic allocation strategies. The strategic allocation represents the appropriate asset benchmark to position you to accomplish your objectives, at a risk level that is acceptable to you. We recognize that growth-oriented assets generally experience higher levels of volatility: risks rise as growth exposures increase. We offer the below strategic allocation categories, and we select the most appropriate allocation based upon your tolerance and objectives:

*LIQUID*: This investment strategy seeks to provide principal protection by investing in fixed income investments. This is suitable if you want little to no principal volatility and are willing to accept lower returns in exchange for increased stability.

*BALANCED*: This investment strategy seeks to provide portfolio growth with current income by investing in a combination of both growth and income



investments in similar weights. This is suitable if you want capital appreciation with income and portfolio stability.

*MODERATE:* This investment strategy seeks long-term capital appreciation with moderate risk. While the portfolio is tilted toward growth, income investments are included to moderate the volatility. This is suitable if you want capital appreciation with income.

*GROWTH:* This investment strategy aggressively seeks long-term appreciation with heavy weighting to growth investments, with a modest allocation in income investments for portfolio diversification. This is suitable if you want portfolio appreciation, with modest current income as a secondary objective. You should have a long-term investment time horizon and be willing to take on risk in pursuit of higher returns.

*AGGRESSIVE:* This investment strategy aggressively seeks capital appreciation by investing in a broadly diversified global portfolio. This strategy does not seek to provide current income. This is suitable if you want to maximize capital appreciation over a long-term investment horizon. You must be willing to tolerate the volatility inherent in growth-oriented investments.

After determining the appropriate strategic allocation, we use tactical overlays. Tactical overlays take into account where we are in the current market cycle, valuations, tax sensitivity, environmental, social and governance (ESG) goals, and opportunistic investments. The economy and markets provide opportunities to enhance or protect returns by adjusting targets as outlined in the investment policy statement.

In addition to economic cycle tactical adjustments, we may choose to incorporate overlays customized to your individual situation and personal values. Tax and ESG overlays are:

*Tax:* We implement tax loss harvesting and state-specific fixed income strategies as appropriate.

*ESG:* This reflects your personal values. It may include strategies which target companies with positive ESG factors, and exclude sectors such as, but not limited to, tobacco, alcohol, and firearms. ESG investing is based on the idea that a company's future profitability is based on its corporate sustainability, as measured by ESG risk factors. Potential holdings are screened for ESG standards, starting with the MSCI US ESG Select Index.

Economic cycles can be difficult to pinpoint, and every cycle is unique. To minimize risk in your portfolio, we go a step further and incorporate trends to appropriately adjust portfolio allocations. The exponential moving average (EMA) is a technical chart indicator that tracks the price of an investment over time. It is a type of moving average which gives more importance (weight) to recent price data. We use two types of trend guidelines or overlays:

*Intermediate Trends:* When the 10-day EMA is above the 100-day EMA, we increase exposure.

*Long-term Trends:* When the 50-day EMA is above the 200-day EMA, we increase exposure.

### **8.3 - Investment Implementation**

Your portfolio has a target allocation guided by the selected strategy. Your portfolio is regularly reviewed to see how closely the allocation matches that of its target. When the variance is too great, we will “rebalance” the allocation to bring it into line with the target allocation. An example of rebalancing is buying and/or selling investments in your portfolio.

We implement the above investment strategies using two basic models:

*Automated Model:* We invest this type of portfolio exclusively in ETFs with automatic rebalancing in accordance with tactical and trend adjustments. Automated models allow for the most effective implementation of tactical moves at the lowest manager cost.

*Customized Model:* We take the strategic allocation or automated model and customize it to your situation. Rebalancing may be customized through direct indexing, active mutual funds, and ETFs. Customized and institutional portfolios may consider existing holdings and incorporate appropriate overlays. Institutional portfolios utilize separately managed accounts and illiquid assets (such as hedge funds).

We seek to manage your account in accordance with your investment policy statement and one or more of our models. Client portfolios with similar objectives and asset allocation goals may own the same, or different investments. Also, if you buy/sell investments on the same day as another client, you could receive different pricing based on the timing of the transactions.

### **8.4 - Risk of Loss**

It is important for you to understand that all investments carry risks and may result in a loss of principal which you should be prepared to bear. Below are descriptions of several of the risks that you face:

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

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

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

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

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

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

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

*Legal or Legislative Risk:* Legislative changes or Court rulings may impact the value of your investments by changing your legal rights relating to these investments (the securities’ claim on the issuer’s assets and finances).

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

*Exchange Traded Funds (ETFs):* We have no control over the risks taken by the underlying funds that you invest in. Prices may vary significantly from the Net Asset Value due to market condition. Certain ETFs may not track underlying benchmarks as expected. ETFs are also subject to the following risks:

- an ETF’s shares may trade at a market price that is above or below their net asset value
- the ETF may employ an investment strategy that utilizes high leverage ratios
- trading of an ETF’s shares may be halted if:

- the listing exchange’s officials deem such action appropriate
- the shares are de-listed from the exchange
- the activation of market wide “circuit breakers” (which are tied to large decreases in stock prices)

*Mutual Funds:* When you invest in open-end mutual funds (or the above-mentioned ETFs), you indirectly bear the proportionate share of any fees and expenses payable directly by those funds. You will incur higher expenses, many of which may be duplicative. In addition, your overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). When selecting mutual funds that have multiple share classes for recommendation to clients, we will take into account the internal fees and expenses associated with each share class, as it is our policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise.

*Equity Securities:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client’s overall portfolio. Small and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

*Fixed Income:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by the Fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

*REITs:* We may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as “REITs”. A REIT is an entity, typically a trust or corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful but lose significant principal if the properties are not successful.

REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

*Margin Borrowings:* The use of short-term margin borrowings may result in certain additional risks to you. For example, if securities pledged to brokers to secure your margin accounts decline in value, you could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

*Alternative Investments (Limited Partnerships):* The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. You should only have a portion of their assets in these investments.

*Structured Notes:* We may include structured notes within its investment portfolios when deemed appropriate. Structured notes have a relative lack of liquidity due to the highly customized nature of the investment and rarely trade after issuance. Moreover, the full extent of returns from the complex performance features is not realized until maturity. Selling before maturity may be at a significant discount. Because of this, structured notes tend to be more of a buy-and-hold investment decision. Counterparty risk is another inherent risk with structured notes. A principal protected note is backed by the firm that issued the note. In the case of a bankruptcy of the issuer, the note holder would be repaid at a rate equivalent to other senior unsecured debt holders of the firm. Principal protected notes are not usually FDIC insured.

## Item 9: DISCIPLINARY INFORMATION

### **9.1 - Criminal or Civil Actions**

We have not been involved in any criminal or civil action.

### **9.2 - Administrative Enforcement Proceedings**

We have not been involved in administrative enforcement proceedings.

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

We have not been involved in legal or disciplinary events can affect your evaluation of us or the integrity of our management.

## Item 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### **10.1 - Sub-Advisor**

We have a sub-advisory arrangement with Blueprint Investment Partners (Blueprint). We may designate certain accounts where Blueprint provides us with research, trading, advisory and other operational and administrative services. In exchange for providing sub-advisory services, Blueprint may receive a percentage of the net advisory fees received by us from designated accounts. Blueprint may also receive fees for managing portfolios or from the use of Blueprint ETFs or mutual funds. Blueprint receives no additional fee for making referrals, and we do not receive compensation or fees from Blueprint.

### **10.2 - Broker-dealer**

None of our principals, nor any related persons are registered, or have an application pending to register, as a broker-dealer or as an associated person of the foregoing entities.

### **10.3 - Futures Commission Merchant/Commodity Trading Advisor**

None our principals, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **10.4 - Relationship with Related Persons**

This item is not applicable.

### **10.5 - Recommendations of Other Advisors**

We may recommend unrelated, third-party investment managers or professionals who have a greater expertise in certain disciplines when appropriate for you. We do not receive any compensation from the unrelated, third-party investment managers or professionals. We do not charge any additional fee to you for the recommendation or selection of third-party investment managers or professionals.

## Item 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### **11.1 - Code of Ethics**

We hold, as our principal core belief, that the performance of responsibilities on your behalf will always be conducted with integrity, excellence, and truthfulness. As a fiduciary, our decisions are required to be in your best interest. All our employees are committed to follow a Code of Ethics which sets forth the standard of conduct by which each individual should carry out their

respective obligations. This Code of Ethics includes discussions of the fiduciary duty to you and is available at a client's, or prospective client's, request.

### **11.2 - Participation or Interest in Client Transactions & Personal Trading**

We may at some point recommend, and choose to invest, in a security in our personal account that is already in, or being considered for, your account. We do not recommend that clients invest in any institution in which we have any financial ownership. We may at some point choose to invest in a security in our personal account while that security is being traded for or being considered for, your account. However, we will not place personal trades before your trades in the same security.

## **Item 12: BROKERAGE PRACTICES**

You will enter into an Investment Management Agreement with us as well as a separate agreement with your designated custodian/broker-dealer.

### **12.1 - Factors Used to Select Custodians/Broker-Dealers**

Specific custodian recommendations are made to you based on your need for such services.

While we recommend that you use Schwab to hold your assets (custodian) and execute transactions (broker-dealer), you will decide whether to do so. If you choose to use Schwab, you will open an account directly with Schwab. We do not open the account for you, but we can help you. We can still use other brokers to execute trades even though the account is maintained at Schwab, and we anticipate that most trades will be executed through them.

We consider whether the terms that Schwab provides are, overall, most advantageous to you. We look at a wide number of factors when comparing the services that Schwab provides to other available providers and their services:

- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, research, financial strength, security, and stability
- Capability to execute, clear, and settle trades (buy and sell investments for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)

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

We do not receive any research or soft dollar benefits.

### **12.3 - Brokerage for Client Referrals**

We do not receive referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

We recommend a specific custodian/broker-dealer. If you choose to direct your individual stock trades through a broker different than your custodian (directed brokerage) this may cost you more money. For example, in a directed brokerage account, you might pay higher brokerage fees because we will not be able to aggregate orders to reduce transaction costs. Or you may receive less favorable prices than you would receive going through a custodian/broker-dealer that we recommend. Directed brokerage may not result in “best execution” practices.

#### **12.5 - The Custodian and Broker-Dealer We Recommend and Use**

Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. The custodian and broker-dealer that we use, Schwab, maintains custody of the client assets that we manage. We recommend that you use the Schwab Advisor Services division of Schwab, a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Schwab will hold your assets in a brokerage account and buy/sell investments when instructed to do so by us or a subadvisor.

We are independently owned and operated and are not affiliated with Schwab. We do not have any type of exclusivity agreement with Schwab, or any other custodian/broker-dealer.

#### **12.6 - Your Brokerage and Custody Costs**

When Schwab maintains your account, they generally do not charge you separately for custody services. You should know that Schwab is compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. This does not produce a conflict of interest for us since we do not receive any commission from Schwab related to the amount of assets in their custody.

Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see Item 12 “Factors Used to Select Custodians/Broker-Dealers”). By using another broker or dealer, you may pay lower costs. We are not required to select the broker or dealer that charges the lowest cost, even if that broker provides execution quality comparable to other brokers or dealers. This is the case if we determine, in good faith, that the cost is reasonable in relation to the value of the brokerage and research services received.

#### **12.7 - Services from Custodians/Broker-Dealers**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of investment transactions, and custody of your assets. The investment products available through Schwab include some that



we might not otherwise have access to or that would require a significantly higher minimum initial investment by you.

Although not a material consideration when determining whether to recommend that you utilize the services of a particular custodian/broker-dealer, we may receive support services and/or products from the custodian/broker-dealer. These services broadly fall into one of the following two categories:

*Services that may not directly benefit you.* These services might benefit you indirectly because they help us manage and administer your account. This includes technology and software that:

- provides access to your account data (e.g., duplicate trade confirmations and account statements),
- facilitates trade execution and allocates aggregated trade order for multiple client accounts,
- facilitates the payment of our fees from your account,
- assists with back-office function, recordkeeping, and client reporting,
- supports the investment research process by providing pricing information and other market data.

*Services that generally benefit only us.* Custodians also offer other services intended to help us manage and further develop our business enterprise. They may provide some of the below services directly or arrange for third-party vendors to provide the services to us. These services include but are not limited to:

- marketing consulting and support
- compliance and/or practice management-related publications
- discounted or gratis technology, compliance, legal and business consulting services
- discounted or gratis attendance to conferences, educational, and social events
- discounting or waiving fees for some of these services or paying all or part of a third-party's fees

You do not pay more for investment transactions affected and/or assets maintained at any custodian because of the above arrangements.

## Item 13: REVIEW OF ACCOUNTS

### **13.1 - Regular Reviews**

We contact you as necessary. A review of accounts can be triggered by market conditions, changes in your account, or changes to your objectives. You can review your account at any time using the secure client portal provided by Orion, found on our website, [www.AdolosAssetManagement.com](http://www.AdolosAssetManagement.com). If you are unable to use this online service, we will provide an alternative.

### **13.2 - Formal Reviews**

Your portfolio will be managed on an ongoing basis, with formal reviews on a quarterly or annual basis. We will provide an annual written report to review asset allocation with you.

## **Item 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **14.1 - Economic Benefit Provided by Third Parties for Advice Rendered to Client**

This item is not applicable since we are not provided any economic benefit by third parties for providing services to you.

### **14.2 - Compensation to Non-Advisory Personnel for Client Referrals**

We do not directly compensate individuals, who are not advisory personnel, for client referrals. If a client is introduced to us by either an unaffiliated or an affiliated solicitor, we may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940 and any corresponding state securities law requirements. Unaffiliated or affiliated solicitors will be licensed in accordance with applicable state laws. Any such referral fee shall be paid solely from the investment management fee and shall not result in any additional charge to you. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of our ADV Brochure and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between us and the solicitor, including the compensation to be received by the solicitor from us.

Currently, we utilize one solicitor, Jennifer Elmore. For more information on Jennifer Elmore, please contact us.

## **Item 15: CUSTODY**

In this section, we define custody as our ability to direct the flow of assets in/out of your account. Since your funds and investments are maintained with a qualified custodian, we don't take physical possession of your assets.

Under government regulations, situations where we are deemed to have custody (control or ability to direct) of your assets may include when we:

- serve as trustee or co-trustee of your account(s)
- operate under a standing letter of authorization
- instruct custodians (per your request) to move assets to third parties
- otherwise have access to your assets.

In such cases, we undergo an annual surprise examination of your assets by an independent auditor.

You will receive detailed account statements and confirmation of trades directly from your custodian. It is important that you review these statements for accuracy and discuss any concerns with us. You should also compare any statements from the custodian with account information provided by us.

## Item 16: INVESTMENT DISCRETION

At the start of the advisory relationship, you will execute a Limited Power of Attorney, which will grant us discretion over the account. This discretionary authority allows us to buy, sell, or trade assets in your account without prior approval of each transaction. This includes the initial allocation and rebalancing and is always in line with your investment policy statement and strategy. You can always make deposits or withdrawals in your account(s) at any time.

In limited circumstances, you may engage us on a non-discretionary basis. For example, we would seek specific approval of changes to your account before any changes are made.

Discretionary and non-discretionary relationships will be outlined in your Investment Management Agreement and agreed upon by both parties. The Agreement will outline your responsibilities as well as ours.

## Item 17: VOTING CLIENT SECURITIES

Copies of our Proxy Voting Policies are available upon request. From time to time, shareholders of stocks, mutual funds, ETFs, or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. You are required to vote proxies related to their investments, or to choose not to vote their proxies. We will not accept authority to vote your securities. You will receive their proxies directly from the custodian for your account. Upon your request, we will give you advice on how to vote proxies, but it is the responsibility of you, and the outside managers, to vote client securities.

## Item 18: FINANCIAL INFORMATION

We do not require the prepayment of fees six (6) months or more in advance and therefore have not provided a balance sheet with this Brochure. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to you.



## Appendix A



### Joseph Freeman Brochure Supplement Form ADV, Part 2B



**ADOLOS**  

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**ASSET MANAGEMENT**

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DELIVERING EXTRAORDINARY

This brochure supplement provides information about Joseph Freeman that supplements the Adolos Asset Management Brochure (Form ADV Part 2A), of which you should have received a copy. Please contact Adolos Asset Management by telephone at (336) 817-1604 or by email at [Joe@AdolosAM.com](mailto:Joe@AdolosAM.com) if you did not receive the Adolos Asset Management Brochure (Form ADV Part 2A) or if you have any questions about the content of this supplement. Additional information about Joseph Freeman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Brochure Supplement, ADV Part 2B, dated 02/20/2023.

## **Educational Background and Business Experience**

Joseph Freeman founded Adolos Asset Management in June of 2021. Joseph acts as President of Adolos AM and oversees all aspects of the firm. In addition, he provides investment advice for select clients, manages several key relationships, and oversees staff and representatives on the platform. Born in 1966, he graduated from Ball State University in 1989 with a Bachelor of Science in Accounting. He furthered his education at the University of North Carolina-Greensboro where he graduated in 1991 with a Master's in Business Administration. Mr. Freeman began his financial career in the early 1990's with Wachovia bank as a trust officer. He went on to have a thirty-year career with Wachovia/Wells Fargo engaged in a variety of roles: Investment Strategist (1994-2001), Director of Client Service (2001-2010), Regional Managing Director (2010-2016), and Head of Family Office Services (2016-2021). The last ten years of his career were spent as a leader in Abbot Downing (Wells Fargo) focusing on ultra-high net worth individuals, families, foundations, and endowments.

As a Certified Financial Planner (CFP) Mr. Freeman can develop a holistic plan for a client's finances. To achieve CFP designation, he completed CFP Board approved coursework and passed a comprehensive exam. Exam topics included: the financial planning process and principles, tax planning, income/retirement planning, estate planning, risk management and insurance, among other important topics. A CFP has the knowledge to deliver professional, competent, and ethical financial services to clients.

Mr. Freeman also holds the Certified Trust and Fiduciary Advisor (CTFA) professional designation which is offered by the American Bankers Association (ABA). The CTFA designation is intended to assess and certify a financial professional's knowledge and ability in the field of trusts and financial advice. To receive this designation, Mr. Freeman had to have a minimum level of wealth management work experience, complete an approved training program, and pass an exam. Wealth management experience is defined as providing client advice, directly or indirectly, relating to trusts, estates, individual retirement accounts (IRAs) and other retirement plans, custody, and individual asset management accounts. CTFAs must also complete regular continuing education. In addition to satisfying these requirements, Mr. Freeman was mandated to sign the ABA professional certifications' code of ethics statement.

Mr. Freeman is a frequent public speaker on the nuances of investing, dynamics of family offices, and the ever-changing economy. He has authored numerous articles for publications such as *Family Office Magazine*, *Wealth Management.com*, and *Family Wealth Report*.

## **Disciplinary Information**

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

## **Other Business Activities**

Mr. Freeman does not engage in any other investment-related business or occupation.

## **Additional Compensation**

Other than advisory fees, Mr. Freeman does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Adolos AM.

## **Supervision**

Mr. Freeman, as President and Founder of Adolos AM, is responsible for supervision of the firm. He can be contacted at the phone number on this brochure supplement. All employees of Adolos AM are required to follow the firm's Code of Ethics and policies and procedures. This is designed to ensure compliance with regulatory laws in the states where Adolos AM is registered. Mr. Freeman is not supervised by any officer, employee, or affiliate of Adolos AM.

## **Requirements for State Registered Advisors**

Mr. Freeman has not been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.



APPENDIX B



Privacy Notice



ADOLOS

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ASSET MANAGEMENT

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DELIVERING EXTRAORDINARY

## **PRIVACY NOTICE**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

## **INFORMATION WE COLLECT**

Adolos Asset Management must collect certain personally identifiable financial information about our clients to ensure that we offer the highest quality financial services and products. The personally identifiable financial information which we gather during the normal course of doing business with you may include:

- Information we receive from you on applications or other forms
- Information about your transactions with us, our affiliates, or others
- Information collected through an Internet "cookie" (an information collecting device from a web server)
- Information we receive from a consumer reporting agency

## **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as permitted by law. We do not disclose your personal information to any third party for the purpose of allowing that party to market products to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all the information we collect, as described above, to certain nonaffiliated third parties such as: attorneys, accountants, auditors, persons/entities that are assessing our compliance.

We enter into contractual agreements with all nonaffiliated third parties. This prohibits third parties from disclosing or using the information (other than to carry out the purposes for which we disclose the information).

## **CONFIDENTIALITY AND SECURITY**

We restrict access to your nonpublic personal information to those employees who need to know this information in order to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

