



**FATHOM**  
A D V I S O R S

**FORM ADV PART 2A**

**BROCHURE**

**Item 1 – Cover Page**

8300 Norman Center Drive  
Suite 550  
Minneapolis, Minnesota 55437  
952-294-2000  
[www.fathom-advisors.com](http://www.fathom-advisors.com)

This brochure provides information about the qualifications and business practices of Fathom Advisors LLC. If you have any questions regarding the contents of this brochure, please do not hesitate to contact our Chief Compliance Officer, Andy Warning by telephone at 513-832-5463 or by email at [andy.warning@dinsmorecomplianceservices.com](mailto:andy.warning@dinsmorecomplianceservices.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.

Fathom Advisors is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Fathom Advisors is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

September 16, 2026

## **Item 2 – Material Changes**

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

Fathom Advisors is a newly registered investment adviser and this brochure was initially filed as part of that registration. Accordingly, there are no material changes to report.

### **Item 3 - Table of Contents**

|                                                                                                      |    |
|------------------------------------------------------------------------------------------------------|----|
| Item 1 – Cover Page.....                                                                             | 1  |
| Item 2 – Material Changes.....                                                                       | 2  |
| Item 3 - Table of Contents .....                                                                     | 3  |
| Item 4 - Advisory Business.....                                                                      | 5  |
| A. Description of the Advisory Firm .....                                                            | 5  |
| B. Types of Advisory Services.....                                                                   | 5  |
| C. Client-Tailored Advisory Services .....                                                           | 6  |
| D. Information Received From Clients.....                                                            | 6  |
| E. Assets Under Management .....                                                                     | 7  |
| Item 5 - Fees and Compensation.....                                                                  | 7  |
| A. Investment Management and Financial Planning Services.....                                        | 7  |
| B. Payment of Fees.....                                                                              | 8  |
| C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers ...    | 9  |
| D. Prepayment of Fees.....                                                                           | 9  |
| E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients .....     | 9  |
| Item 6 - Performance-Based Fees and Side-by-Side Management.....                                     | 10 |
| Item 7 - Types of Clients .....                                                                      | 10 |
| Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss .....                          | 10 |
| A. Methods of Analysis and Risk of Loss .....                                                        | 10 |
| B. Material Risks Involved.....                                                                      | 11 |
| Item 9 – Disciplinary Information .....                                                              | 14 |
| Item 10 – Other Financial Industry Activities and Affiliations .....                                 | 15 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 15 |
| Item 12 – Brokerage Practices .....                                                                  | 15 |
| A. Factors Used to Select Custodians and/or Broker-Dealers .....                                     | 16 |
| B. Trade Aggregation .....                                                                           | 18 |
| Item 13 – Review of Accounts.....                                                                    | 19 |
| A. Periodic Reviews .....                                                                            | 19 |
| B. Other Reviews and Triggering Factors .....                                                        | 19 |
| C. Regular Reports .....                                                                             | 19 |
| Item 14 – Client Referrals and Other Compensation .....                                              | 20 |
| A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients .....                  | 20 |

|                                                                      |    |
|----------------------------------------------------------------------|----|
| B. Compensation to Non-Supervised Persons for Client Referrals ..... | 20 |
| Item 15 – Custody .....                                              | 20 |
| Item 16 – Investment Discretion .....                                | 21 |
| Item 17 – Voting Client Securities .....                             | 21 |
| Item 18 – Financial Information .....                                | 21 |

## **Item 4 - Advisory Business**

### **A. Description of the Advisory Firm**

Fathom Advisors LLC (“Fathom Advisors” or the “Firm”) is a limited liability company organized in the State of Minnesota. Fathom Advisors is an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”). Fathom Advisors is owned by Randy Doroff, Todd Doroff, Michael Cassidy, Mark Anderson and Elizabeth Stokes.

### **B. Types of Advisory Services**

Fathom Advisors provides personalized financial planning and discretionary and non-discretionary investment advisory services to individuals, high net worth individuals, family offices, trusts, estates, private foundations, qualified retirement plans and other types of entities.

#### Investment Management Services

Fathom Advisors offers investment management services on a discretionary basis and non-discretionary basis. All investment advice provided is customized to each client’s investment objectives and financial needs. The information provided by the client, together with any other information relating to the client’s overall financial circumstances, will be used by Fathom Advisors to determine the appropriate portfolio asset allocation and investment strategy for the client.

Generally, financial planning services are also provided to investment management services clients. See below for a description of Fathom Advisors’ financial planning services. Typically, in providing financial planning services to investment management services clients, Fathom Advisors does not charge an additional fee. However, Fathom Advisors may charge investment management services clients fees for the provision of financial planning services depending upon the scope, depth and complexity of the financial planning services provided to the client.

The securities utilized by Fathom Advisors for investment in client accounts primarily consist of registered mutual funds, exchange traded funds (ETFs), equity securities, corporate bonds and state and local municipality fixed income instruments (“municipal securities”), but we will also invest in real estate investment trusts (REITS), options on equity securities and private funds/alternative investments, if we determine such investments fit within a client’s objectives and are in the best interest of our clients.

Fathom Advisors may further recommend to clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client’s engagement of the External Manager. Fathom Advisors generally renders services to the client relative to the discretionary selection of External Managers. Fathom Advisors also assists in establishing the client’s investment objectives for the assets managed by External Managers, monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, are exclusive of, and in addition to, the annual advisory fee charged by Fathom Advisors.

### Investment Management Services to Retirement Plans

Fathom Advisors offers discretionary and non-discretionary advisory services to qualified plans, including 401k plans. These services include, depending upon the needs of the plan client, recommending, or for discretionary clients selecting, investment options for plans to offer to participants, ongoing monitoring of a plan's investment options, assisting plan fiduciaries in creating and/or updating the plan's written investment policy statements, working with plan service providers, and providing general investment education to plan participants.

### Financial Planning Services

Fathom Advisors offers financial planning services to set forth goals, objectives and implementation strategies for the client over the long-term. Depending upon individual client requirements, the financial planning services will include recommendations for retirement planning, educational planning, estate planning, cash flow planning, tax planning and insurance needs and analysis. Fathom Advisors provides the financial planning client with recommendations and performs periodic reviews of provided recommendations, as agreed upon with the client. In addition, Fathom Advisors provides financial planning services that are completed upon the delivery of recommendations to the client. Clients should notify us promptly anytime there is a change in their financial situation, goals, objectives, or needs and/or if there is any change to the financial information initially provided to us.

Clients are under no obligation to implement any of the recommendations provided by Fathom Advisors. However, should a client decide to proceed with the implementation of the investment recommendations then the client can either have Fathom Advisors implement those recommendations or utilize the services of any investment adviser or broker-dealer of their choice.

Fathom Advisors cannot provide any guarantees or promises that a client's financial goals and objectives will be met.

**Note Regarding Tax or Legal Advice:** In providing services, Fathom Advisors does not offer or otherwise provide tax or legal advice. Fathom Advisors will, at a client's direction and approval, work with a client's existing tax or legal professionals to assist in the provision of the services. Fees charged by any tax, legal or other third-party professionals are the responsibility of the client. Fathom Advisors may refer professionals; however, there is no compensation to Fathom Advisors for these referrals, and clients are under no obligation to use the referred service providers.

### **C. Client-Tailored Advisory Services**

Clients may impose reasonable restrictions on the management of their accounts if Fathom Advisors determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Fathom Advisors' management efforts.

### **D. Information Received From Clients**

Fathom Advisors will not assume any responsibility for the accuracy of the information provided by clients. Fathom Advisors is not obligated to verify any information received from a client or other professionals (e.g., attorney, accountant) designated by a client, and Fathom Advisors is expressly authorized by the client to rely on such information provided. Under all circumstances, clients are responsible for promptly

notifying Fathom Advisors in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance.

### **E. Assets Under Management**

Fathom Advisors is a newly registered adviser. Therefore, as of the date of filing this Brochure, Fathom Advisors did not have assets under management.

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

Fathom Advisors charges fees based on a percentage of assets under management as well as hourly fees, depending on the particular types of services to be provided. The specific fees charged by Fathom Advisors for services provided will be set forth in each client's agreement.

### **A. Investment Management and Financial Planning Services**

#### Fees for Investment Management Services

Fathom Advisors charges an investment management services fee that is agreed upon with each client and set forth in an agreement executed by Fathom Advisors and the client. The investment management services fee for the initial month shall be paid, on a pro rata basis, in arrears, based on the value of the net billable assets under management at the end of such initial month. For subsequent months, the investment management services fee shall be paid, in advance, based on the asset value of the client's accounts as of the last business day of the preceding month. The asset value of a client's account is determined as provided by third-party sources, such as pricing services, custodians, fund administrators, and client-provided sources. For purposes of fee calculation, the asset value of client accounts include cash and cash equivalents, as well as margined securities. Fathom Advisors does not reduce investment management services fees for margin borrowing, regardless of whether the assets are in cash or other securities. Fathom Advisors has a financial incentive to recommend that clients borrow money for the purchase of additional securities for the client's account managed by Fathom Advisors or otherwise not liquidate some or all the assets Fathom Advisors manages. Fathom Advisors addresses this conflict of interest by this disclosure and working to ensure that any recommendation to a client regarding the use of margin is suitable for the client.

Following is Fathom Advisors' asset based fee schedule for investment management services:

| <b>FEE SCHEDULE</b>                  |                    |
|--------------------------------------|--------------------|
| <b><u>Market Value of Assets</u></b> | <b><u>Rate</u></b> |
| Up to \$1,000,000                    | 1.20%              |
| \$1,000,001 to \$3,000,000           | 0.85%              |
| \$3,000,001 to \$5,000,000           | 0.70%              |
| \$5,000,001 to \$10,000,000          | 0.60%              |
| \$10,000,001 to \$25,000,000         | 0.40%              |
| Greater than \$25,000,000            | 0.25%              |

The fee rate applies to the market value of assets within that range. As an example, for a client account with a market value of assets of \$2,000,000 – the first \$1,000,000 of the client's account will be subject to a fee rate of 1.20% and the remaining assets will be subject to a fee rate of 0.85%.

Fathom Advisors requires a minimum monthly investment management services fee of \$1,000.

Fathom Advisors' policy is to include all related client accounts, specifically the accounts of direct family members sharing the same residence address, for purposes of determining a client's market value of assets.

#### Fees for Financial Planning Services

Clients that are receiving financial planning services only and investment management services clients subject to a financial planning services fee are charged a fixed fee ranging up to \$250,000, depending upon the complexity of the services provided to the client. For clients receiving ongoing financial planning services the annual fee is charged quarterly or for such other period as agreed upon by the client and Fathom Advisors. For financial planning services that are completed upon the delivery of Fathom Advisors' recommendations, the fixed fee can be charged in quarterly installments, for such other period as agreed upon by the client and Fathom Advisors, or otherwise in full upon delivery of Fathom Advisors' recommendations. Actual fees charged are clearly outlined in the financial planning agreement.

Notwithstanding the foregoing, Fathom Advisors and the client may choose to negotiate an advisory fee that varies from the schedule or range set forth above. Factors upon which a different advisory fee may be based include, but are not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The investment management services fee charged by the Firm will apply to all of the client's assets under management, unless specifically excluded in the client agreement. Although Fathom Advisors believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms.

The investment advisory agreement between Fathom Advisors and the client may be terminated at will by either Fathom Advisors or the client upon written notice. Fathom Advisors does not impose termination fees when the client terminates the investment advisory relationship, except when agreed upon in advance.

#### **B. Payment of Fees**

Fathom Advisors generally deducts its investment management services fee from a client's investment account(s) held at his/her custodian. Upon engaging Fathom Advisors to manage such account(s), a client grants Fathom Advisors this limited authority through a written instruction to the custodian of his/her account(s). The client is responsible for verifying the accuracy of the calculation of the investment management services fee; the custodian will not determine whether the fee is accurate or properly calculated. A client may utilize the same procedure for financial planning fees if the client has investment accounts held at a custodian.

Although clients generally are required to have their investment management services fees deducted from their accounts, in some cases, Fathom Advisors will directly bill a client for investment management services fees if it determines that such billing arrangement is appropriate given the circumstances.

The custodian of the client's accounts provides each client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the client's account(s), including any fees paid directly to Fathom Advisors.

Clients may make additions to and withdrawals from their account at any time, subject to Fathom Advisors' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets at any time on notice to Fathom Advisors, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Fathom Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g. contingent deferred sales charges) and/or tax ramifications.

#### **C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers**

In connection with Fathom Advisors' management of an account, a client will incur fees and/or expenses separate from and in addition to Fathom Advisors' advisory fee. These additional fees may include transaction charges and the fees/expenses charged by any custodian, subadvisor, mutual fund, ETF, separate account manager (and the manager's platform manager, if any), limited partnership, or other advisor, transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), margin interest, brokerage commissions, mark-ups or mark-downs and other transaction-related costs, electronic fund and wire fees, and any other fees that reasonably may be borne by a brokerage account. For External Managers, clients should review each manager's Form ADV 2A disclosure brochure and any contract they sign with the External Manager (in a dual contract relationship). The client is responsible for all such fees and expenses. Please see Item 12 of this brochure regarding brokerage practices.

#### **D. Prepayment of Fees**

As noted in Item 5(B) above, Fathom Advisors' advisory fees generally are paid in advance. Upon the termination of a client's advisory relationship, Fathom Advisors will issue a refund equal to any unearned management fee for the remainder of the month or other applicable period.

#### **E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients**

Fathom Advisors does not buy or sell securities and does not receive any compensation for securities transactions in any client account, other than the investment advisory fees noted above. However, as further

described in Item 10, certain personnel of Fathom Advisors, in their individual capacities, are licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients.

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

Fathom Advisors does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Fathom Advisors' fees are calculated as described in Item 5 above.

### **Item 7 - Types of Clients**

Fathom Advisors offers investment advisory services to individuals, high net worth individuals, family offices, trusts, estates, private foundations, qualified retirement plans and other types of entities. Fathom Advisors requires a minimum monthly investment management services fee of \$1,000. However, Fathom Advisors reserves the right to accept or decline a potential client for any reason in its sole discretion.

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

#### **A. Methods of Analysis and Risk of Loss**

A primary step in Fathom Advisors' investment strategy is getting to know the clients – to understand their investment objectives and financial needs. To aid in this understanding, Fathom Advisors generally offers some level of financial planning services to investment management services clients. Once Fathom Advisors has an understanding of its clients' investment objectives and financial needs, the investment process can begin, and the Firm can recommend strategies and investments that it believes are aligned with the client's goals and risk profile.

Fathom Advisors primarily employs fundamental analysis methods in developing investment strategies for its clients. Fathom Advisors relies on the tenets of Modern Portfolio Theory and attempts to utilize diversification in strategies to maximize potential return subject to a given level of risk. Research and analysis from Fathom Advisors is based on numerous sources, including third-party research materials and publicly-available materials, such as company annual reports, prospectuses, and press releases.

Fathom Advisors generally employs a long-term investment strategy for its clients, as consistent with their investment objectives and financial needs. At times, the Firm may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class. Time horizon is viewed as a critical component of a client's risk tolerance, and, Fathom Advisors often employs a "Bucket Strategy" in seeking to ensure specific assets are aligned with the timing of specific goals and needs of each client.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term

wealth transfer objectives, time horizon and choice of custodian are all factors that influence Fathom Advisors's investment recommendations.

Investing in securities involves a risk of loss. A client can lose all or a substantial portion of his/her investment. A client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

## **B. Material Risks Involved**

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Fathom Advisors' investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions will not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by Fathom Advisors include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security will decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

- *Value investing risk*, which is the risk that value stocks not increase in price, not issue the anticipated stock dividends, or decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company will go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- *Municipal securities risk*, is the risk related to securities issued by or on behalf of states, territories, possessions and local governments and their agencies and other instrumentalities. Municipal securities may be secured by the issuer's general obligations or by the revenue associated with a specific capital project. Both "general obligation" municipal bonds and "revenue" bonds are subject to interest rate, credit and market risk, and uncertainties related to the tax status of a municipal bond or the rights of investors invested in these securities. The ability of an issuer to make payments could be affected by litigation, legislation or other political events or the bankruptcy of the issuer. In the event of bankruptcy of such an issuer, a client account investing in the issuer's securities could experience delays in collecting principal and interest, and the client account may not, in all circumstances, be able to collect all principal and interest to which it is entitled. In addition, imbalances in supply and demand in the municipal market may result in a deterioration of liquidity and lack of price transparency in the market. At certain times, this may affect pricing, execution, and transaction costs associated with a particular trade. The value of certain municipal securities, in particular obligation debt, may also be adversely affected by rising health care costs, increasing unfunded pension liabilities, changes in accounting standards, and by the phasing out of federal programs providing financial support. Municipal securities may be less liquid than taxable bonds and there may be less publicly available information on the financial condition of municipal securities issuers than for issuers of other securities, and the investment performance of a client account investing in municipal securities may therefore be more dependent on the analytical abilities of Fathom Advisors than if the client account held other types of investments such as stocks or taxable bonds. The secondary market for municipal securities also tends to be less well-developed or liquid than many other securities markets, a by-product of lower capital commitments to the asset class by the dealer community, which may adversely affect a client account's ability to sell municipal securities it holds at attractive prices or value municipal securities. Lower rated municipal bonds are subject to greater credit and market risk than higher quality municipal bonds.
- *Interest rate risk*, which is the chance that prices of fixed income securities decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.

- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by Fathom Advisors may not produce the desired results and that legislative, regulatory, or tax developments, affect the investment techniques available to Fathom Advisors. There is no guarantee that a client's investment objectives will be achieved.
- *Real Estate risk*, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.
- *Investment Companies ("Mutual Funds") risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- *Options risk*, is not suitable for everyone and options are complex securities. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you invest only in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (i.e., the expiration date). The two types of options are calls and puts. A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires. Selling options is more complicated and can be even riskier. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.
- *Cybersecurity risk*, which is the risk related to unauthorized access to the systems and networks of Fathom Advisors and its service providers. The computer systems, networks and devices used by Fathom Advisors and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices

potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.

- *Alternative Investments / Private Funds risk*, investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
  - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
  - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
  - volatility of returns;
  - restrictions on transferring interests in the investment;
  - potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is utilized;
  - absence of information regarding valuations and pricing;
  - delays in tax reporting;
  - less regulation and higher fees than mutual funds;
  - risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Fathom Advisors does not guarantee the future performance of a client's portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

### **Use of External Managers**

Fathom Advisors may select certain External Managers to manage a portion of its clients' assets. In these situations, the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, Fathom Advisors generally may not have the ability to supervise the External Managers on a day-to-day basis.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the adviser and the integrity of the adviser's management. Fathom Advisors has no information applicable to this Item.

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

#### Insurance Agent Activities

As mentioned above in Item 5, advisory persons of Fathom Advisors are licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients. Insurance commissions earned by advisory persons who are insurance professionals are separate from and in addition to Fathom Advisors' advisory fee. This practice presents a conflict of interest as an advisory person who is an insurance professional has an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on client needs. Fathom Advisors addresses this conflict through disclosure and strives to make recommendations which are in the best interests of its clients. Clients are under no obligation to purchase insurance products through any person affiliated with Fathom Advisors. Fathom Advisors clients should understand that lower fees and/or commissions for comparable services may be available from other insurance providers.

#### Recommendation of External Managers

Fathom Advisors may recommend that clients use External Managers based on clients' needs and suitability. Fathom Advisors does not receive separate compensation, directly or indirectly, from such External Managers for recommending that clients use their services. Fathom Advisors does not have any other business relationships with the recommended External Managers.

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

Fathom Advisors has a Code of Ethics (the "Code") which requires Fathom Advisors' employees ("supervised persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Firm's clients. Among other things, the Code of Ethics sets forth policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to Fathom Advisors for review by the Firm's Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

Fathom Advisors will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Item 12 – Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker-Dealers**

Fathom Advisors generally recommends that its investment management clients utilize the custody and brokerage services of an unaffiliated broker/dealer custodian (a “BD/Custodian”) with which Fathom Advisors has an institutional relationship. Currently, this includes Charles Schwab & Co., Inc. (“Schwab”) which is a “qualified custodian” as that term is described in Rule 206(4)-2 of the Advisers Act.

Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed on behalf of clients by Fathom Advisors. If your accounts are custodied at Schwab, Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. Clients will pay fees to Schwab for custody and the execution of securities transactions in their accounts.

In making BD/Custodian recommendations, Fathom Advisors will consider a number of judgmental factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the ability of the BD/Custodian to settle the trade promptly and accurately; 4) the financial standing, reputation and integrity of the BD/Custodian; 5) the BD/Custodian’s access to markets, research capabilities, market knowledge, and any “value added” characteristics; 6) Fathom Advisors’ past experience with the BD/Custodian; and 7) Fathom Advisors’ past experience with similar trades. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

In exchange for using the services of Schwab, Fathom Advisors may receive, without cost, computer software and related systems support that allows Fathom Advisors to monitor and service its clients’ accounts maintained with Schwab. Schwab also makes available to the Firm products and services that benefit the Firm but may not directly benefit the client or the client’s account. These products and services assist Fathom Advisors in managing and administering client accounts. They include investment research, both Schwab’s own and that of third parties. Fathom Advisors may use this research to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients’ accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide the Firm with other benefits such as occasional business entertainment of Firm personnel.

In addition, Fathom Advisors receives financial support from Schwab up to a capped dollar amount to be used toward qualifying marketing, technology, consulting and/or research expenses incurred by Fathom Advisors in registering and launching the operations of Fathom Advisors. This financial support is available to Fathom Advisors during the first 12 months from the start of Fathom Advisors clients having assets custodied at Schwab, and the ultimate amount payable by Schwab is dependent upon the amount of Fathom Advisors client assets custodied at Schwab. Furthermore, Schwab has agreed to reimburse account termination fees charged to Fathom Advisors clients by the former custodian of the clients' accounts up to a capped dollar amount. This reimbursement is available during an initial 12 month period.

The benefits received by Fathom Advisors through its participation in the Schwab custodial platform do not depend on the amount of brokerage transactions directed to Schwab. In addition, there is no corresponding commitment made by Fathom Advisors to Schwab to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of participation in the program. While as a fiduciary, we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at Schwab will be based in part on the benefit to Fathom Advisors of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. The receipt of these benefits creates a potential conflict of interest and may indirectly influence Fathom Advisors's choice of Schwab for custody and brokerage services.

Fathom Advisors will periodically review its arrangements with the BD/Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;

- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

Fathom Advisors' clients may utilize qualified custodians other than Schwab for certain accounts and assets, particularly where clients have a previous relationship with such qualified custodians.

#### Brokerage for Client Referrals

Fathom Advisors does not select or recommend BD/Custodians based solely on whether or not it may receive client referrals from a BD/Custodian or third party.

#### Client Directed Brokerage

Generally, in the absence of specific instructions to the contrary, for brokerage accounts that clients engage Fathom Advisors to manage on a discretionary basis, Fathom Advisors has full discretion with respect to securities transactions placed in the accounts. This discretion includes the authority, without prior notice to the client, to buy and sell securities for the client's account and establish and affect securities transactions through the BD/Custodian of the client's account or other broker-dealers selected by Fathom Advisors. In selecting a broker-dealer to execute a client's securities transactions, Fathom Advisors seeks prompt execution of orders at favorable prices. Fathom Advisors does not accept instructions to custody a client account at a specific BD/Custodian other than Schwab and/or direct some or all of his/her brokerage transactions to a specific broker/dealer.

#### Trade Errors

Fathom Advisors' goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error occurs, Fathom Advisors endeavors to identify the error in a timely manner, correct the error so that the client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future.

Trade errors generally are corrected through the use of a "trade error" account or similar account at Schwab. In the event an error is made in a client account custodied elsewhere or otherwise subject to a trade at a broker-dealer other than Schwab, Fathom Advisors works directly with the broker in question to take corrective action. In all cases, Fathom Advisors will take the appropriate measures to return the client's account to its intended position.

### **B. Trade Aggregation**

To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's supervised persons may invest, the Firm will generally do so in a

fair and equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Firm.

### **Item 13 – Review of Accounts**

#### **A. Periodic Reviews**

##### Investment Management Account Reviews

While investment management accounts are monitored on an ongoing basis, Fathom Advisors' investment adviser representatives seek to have at least one annual meeting with each client to conduct a formal review of the client's accounts. Accounts are reviewed for consistency with the client's provided investment objectives and financial needs. Except as provided below, when providing financial planning services to investment management services clients, Fathom Advisors generally continues to review any provided recommendations as part of the ongoing provision of investment management services.

##### Financial Planning Services Account Reviews

For clients receiving only financial planning services or investment management services clients who are being charged for financial planning services, upon completion of the recommendations any ongoing reviews and the frequency of those reviews are established, if provided for in the client agreement. The nature of client reviews are to evaluate the client's progress during the period based on the provided recommendations. Fathom Advisors will collaborate with financial planning only services clients or investment management services clients who are being charged for financial planning services to update their financial information (i.e. insurance, investments, assets, income and expenses) and craft any additional or revised recommendations. In addition, Fathom Advisors provides financial planning services that are completed upon the delivery of Fathom Advisors' recommendations to the client. In such situations, Fathom Advisors does not provide any ongoing reviews of the provided recommendations.

#### **B. Other Reviews and Triggering Factors**

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder's personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify Fathom Advisors of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

#### **C. Regular Reports**

Written brokerage statements are generated no less than quarterly and are sent directly from the qualified custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients also are sent confirmations following each brokerage account transaction unless confirmations have been waived.

Fathom Advisors may also determine to provide account statements and other reporting to clients on a periodic basis. Clients are urged to carefully review all custodial account statements and compare them to

any statements and reports provided by Fathom Advisors. Fathom Advisors statements and reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

##### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Fathom Advisors does not receive benefits from third parties for providing investment advice to clients.

##### **B. Compensation to Non-Supervised Persons for Client Referrals**

Fathom Advisors seeks to enter into agreements with individuals and organizations, some of whom may be affiliated or unaffiliated with Fathom Advisors for the referral of clients to us. All such agreements will be in writing and comply with the applicable state and federal regulations. If a client is introduced to Fathom Advisors by a solicitor, Fathom Advisors will pay that solicitor a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon Fathom Advisors' engagement of new clients and the retention of those clients and would be calculated using a varying percentage of the fees paid to Fathom Advisors by such clients until the account is closed by written authorization from the client. Any such fee shall be paid solely from Fathom Advisors' fees and shall not result in any additional charge to the client.

Each prospective client who is referred to Fathom Advisors under such an arrangement will receive a separate written disclosure document disclosing the nature of the relationship between the third-party solicitor and Fathom Advisors and the compensation that will be paid by us to the third party. Applicable state laws may require these persons to become licensed either as representatives of Fathom Advisors or as an independent investment adviser.

#### **Item 15 – Custody**

All clients must utilize a "qualified custodian" as detailed in Item 12. Clients are required to engage the custodian to retain their funds and securities and direct Fathom Advisors to utilize the custodian for the client's securities transactions. Fathom Advisors' agreement with clients and/or the clients' separate agreements with the B/D Custodian may authorize Fathom Advisors through such BD/Custodian to debit the clients' accounts for the amount of Fathom Advisors' fee and to directly remit that fee to Fathom Advisors in accordance with applicable custody rules.

The BD/Custodian recommended by Fathom Advisors has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Fathom Advisors. Fathom Advisors encourages clients to review the official statements provided by the custodian, and to compare such statements with any reports or other statements received from Fathom Advisors. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices."

**Item 16 – Investment Discretion**

Clients have the option of providing Fathom Advisors with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Fathom Advisors' client agreement. By granting Fathom Advisors investment discretion, a client authorizes Fathom Advisors to direct securities transactions and determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Fathom Advisors if Fathom Advisors determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Fathom Advisors. See also Item 4(C), Client-Tailored Advisory Services.

**Item 17 – Voting Client Securities**

Fathom Advisors does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client portfolios.

**Item 18 – Financial Information**

Fathom Advisors is not required to disclose any financial information pursuant to this item due to the following:

- a) Fathom Advisors does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of rendering services;
- b) Fathom Advisors 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; and
- c) Fathom Advisors has never been the subject of a bankruptcy petition.