

On December 15, 2020, the Department of Labor (“DOL”) issued their final interpretation of who is a fiduciary under Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Internal Revenue Code (“IRC”) as well a new class exemption, Prohibited Transaction Exemption 2020-02 (“DOL Rule”).

Ellsworth Advisors and its investment advisors are fiduciaries under ERISA and the Internal Revenue Code.

The DOL Rule requires fiduciaries to comply with the impartial conduct standards which are:

1. The fiduciary must provide advice in the “Best Interest” to you.
2. The fiduciary must charge “reasonable” compensation for the services provided.
3. The fiduciary must make only “not misleading” statements about investment transactions, compensation, and conflicts of interest.

The fiduciary must provide advice in the “Best Interest” of the Retirement Investor (“you”)

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

The fiduciary must charge “reasonable” compensation for the services provided

Reasonable means the compensation cannot be excessive but does not mandate that compensation be the lowest possible. Compensation must be judged in the context of the services provided; therefore, higher compensation may be reasonable for more comprehensive and detailed services. Whether or not compensation is reasonable depends on how it compares to alternatives available to you.

The fiduciary must make only “not misleading” statements about investment transactions, compensation, and conflicts of interest.

Fiduciaries must not make misleading statements about investment transactions, compensation, and conflicts of interest. We have discretionary trading over the accounts we manage and are compensated by a flat annual fee that is broken out into monthly payments. The monthly payments are a percentage to the assets under management during the previous month. Therefore, we have mitigated the risk of “not misleading” statements.

If you have chosen to rollover an existing covered plan or transfer an existing IRA, a comparison of your existing plan or account to the recommended account will have been conducted on the Retirement Assets Rollover/Transfer Analysis, in conjunction with your Investment Policy Summary, by your Investment Advisor Representative.

This Retirement Assets Rollover/Transfer Disclosure is intended to supplement other required disclosures such as **Form CRS** and the **Form ADV Part 2A brochure**. If you are a participant in a plan where we are the fiduciary to the plan, the decision to take the distribution/rollover to an IRA is solely your decision and cannot be influenced by us in our role as a fiduciary to the plan.