



# DHK FINANCIAL ADVISORS

## DHK Financial Advisors Inc.

### Form ADV Part 2A – Disclosure Brochure

**Effective: March 26, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of DHK Financial Advisors Inc. (“DHK” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (603) 436-5801 or by email at [info@dhkfinancial.com](mailto:info@dhkfinancial.com).

DHK is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about DHK to assist you in determining whether to retain the Advisor.

Additional information about DHK and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 106126.

**DHK Financial Advisors Inc.**  
**3 Greenleaf Woods Drive, Suite 202**  
**Portsmouth, NH 03801**  
**Phone: (603) 436-5801 \* Fax: (603) 431-3346**  
<https://www.dhkfinancial.com/>

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of DHK. For convenience, the Advisor has combined these documents into a single disclosure document.

DHK believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. DHK encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

There have been no material changes to this Disclosure Brochure since the last annual amendment filing.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 106126. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (603) 436-5801 or by email at [info@dhkfinancial.com](mailto:info@dhkfinancial.com).

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## Item 4 – Advisory Services

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### A. Firm Information

DHK Financial Advisors Inc. (“DHK” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission. The Advisor is organized as a Sub-S Corporation under the laws of the State of New Hampshire. DHK was founded in June 1993, and is owned and operated by Timothy W. Dempsey (Principal). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by DHK.

### B. Advisory Services Offered

DHK offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations and retirement plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. The Advisor’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Investment Management Services

DHK provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. DHK works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. DHK will then generally construct an investment portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks, bonds or options contracts to meet the needs of its Clients. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

DHK’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. DHK will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

DHK evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. DHK may recommend, on occasion, redistributing investment allocations to diversify the portfolio. DHK may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. DHK may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

At no time will DHK accept or maintain custody of a Client’s funds or securities, except for the limited authority as outlined in Item 15 - Custody. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

#### Use of Independent Managers

DHK will recommend that Clients utilize one or more unaffiliated investment managers or investment platforms (collectively “Independent Managers”) for all or a portion of a Client’s investment portfolio, based on the Client’s needs and objectives. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and

managing the ongoing Client relationship. The Client will be provided with the Independent Manager's Form ADV Part 2A - Disclosure Brochure (or a brochure that makes the appropriate disclosures).

#### Retirement Plan Advisory Services

DHK provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Oversight Services (ERISA 3(21))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- Benchmarking Services

These services are provided by DHK serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of DHK's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

#### C. Client Account Management

Prior to engaging DHK to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – DHK, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – DHK will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – DHK will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – DHK will provide investment management and ongoing oversight of the Client's investment portfolio.

#### D. Wrap Fee Programs

DHK does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by DHK.

#### E. Assets Under Management

As of December 31, 2020, DHK manages \$1,512,105,148 in Client assets, \$802,043,241 of which are managed on a discretionary basis and \$710,061,907 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

#### Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

## **A. Fees for Advisory Services**

### Investment Management Services

Investment advisory fees are paid quarterly in arrears pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees are based on one of the following schedules as selected by the Client on the investment management agreement:

#### Tiered Schedule:

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.50%
Next \$1,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	0.30%

#### Range of Fees:

Investment advisory fees range from .10% to 1.00% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee. Client's may select a fixed fee option when paying advisory services, pursuant to the terms of the investment advisory agreement.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by DHK will be independently valued by the Custodian. DHK will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee up to \$15,000 and are billed in arrears, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Fees may be negotiable depending on the size and complexity of the Plan.

### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 1.50% annually.

## **B. Fee Billing**

### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with DHK at the end of the quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the

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Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by DHK to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Use of Independent Managers

For Client accounts implemented through an Independent Manager, the Client's overall fees may include DHK's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager[s], as applicable. In certain instances, the Independent Manager or the Advisor may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s].

#### Retirement Plan Advisory Services

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than DHK, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all securities execution and custody fees charged by the Custodian, if applicable. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The fees charged by DHK are separate and distinct from these custody and execution fees.

In addition, all fees paid to DHK for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of DHK, but would not receive the services provided by DHK which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by DHK to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

DHK will be compensated for its services at the end of the quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Use of Independent Managers

In the event that the Advisor has determined that an Independent Manager is no longer in the Client's best interest or a Client should wish to terminate their relationship with the Independent Manager, the terms for the termination will be set forth in the respective agreements between the Client or the Advisor and the Independent Manager. DHK will assist the Client with the termination and transition as appropriate.

#### Retirement Plan Advisory Services

DHK is compensated for its services at the end of the quarter after advisory services are rendered. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for retirement plan advisory fees up to and including the effective date of

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termination. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

DHK reserves the right to stop work on any account that is more than 90 days overdue. In addition, DHK reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in DHK's judgment, to providing proper financial advice.

#### **E. Compensation for Sales of Securities**

DHK does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

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DHK does not charge performance-based fees for its investment advisory services. The fees charged by DHK are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

DHK does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7 – Types of Clients**

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DHK offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations and retirement plans. The amount of each type of Client is available on DHK's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. DHK generally requires a minimum account size from Clients. The minimum account size is negotiable.

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

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#### **A. Methods of Analysis**

DHK primarily employs an asset allocation method in developing investment strategies for its Clients. Research and analysis from DHK are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Other sources of information that DHK may use include Morningstar Principia mutual fund information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, Zephyr Associates' and StyleAdvisor.

As noted above, DHK generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. DHK will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, DHK 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.

#### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. DHK will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic



indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with certain components of the Advisor's investment approach:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later. There is also a risk that Authorized Participants are unable to fulfill their responsibilities. Authorized Participants are one of the major parties involved with ETF creation/redemption mechanism in the markets. The Authorized Participants play a critical role in the liquidity of ETFs and essentially have the exclusive right to change the supply of ETF shares in the market. If the Authorized Participants does not fulfill this expected role, there could be an adverse impact on liquidity and the valuation of an ETF.

#### Bond ETFs

Bond ETFs are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

#### 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

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and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving DHK or its owner.** DHK values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 106126.

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

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### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio with one or more Independent Managers. The Advisor does not receive any compensation nor does this present a material conflict of interest. The Advisor will only earn its investment advisory fee as described in Item 5.A.

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

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### **A. Code of Ethics**

DHK has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with DHK ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. DHK and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of DHK's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact the Advisor at (603) 436-5801 or via email at [info@dhkfinancial.com](mailto:info@dhkfinancial.com).

### **B. Personal Trading with Material Interest**

DHK allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. DHK does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. DHK does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

DHK allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by DHK requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While DHK allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will DHK, or any Supervised Person of DHK, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

DHK does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize DHK to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, DHK does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where DHK does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by DHK. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. DHK may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

DHK will generally recommend that Clients establish their account[s] at Charles Schwab & Co., Inc ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". DHK maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **DHK does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** - DHK does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where DHK will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). DHK will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. DHK will execute its transactions through the Custodian as authorized by the Client.

DHK may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at

the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Timothy W. Dempsey, President and Chief Compliance Officer of DHK. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify DHK if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by DHK**

DHK may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, DHK may receive non-compensated referrals of new Clients from various third-parties.

#### Participation in Institutional Advisor Platform

DHK has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like DHK. As a registered investment advisor participating on the Schwab Advisor Services platform, DHK receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its

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relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and financial support to DHK that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a potential conflict of interest. DHK believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

## **B. Client Referrals from Solicitors**

DHK does not engage paid solicitors for Client referrals.

### **Item 15 – Custody**

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DHK does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct DHK to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by DHK to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

### **Item 16 – Investment Discretion**

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DHK generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by DHK. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by DHK will be in accordance with each Client's investment objectives and goals.

Where DHK does not have discretion over the selection and amount of securities to be bought or sold in Client accounts, it must obtain prior approval from the Client. The Advisor will contact the Client and obtain approval prior to executing trades or allocating investment assets.

### **Item 17 – Voting Client Securities**

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DHK does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

### **Item 18 – Financial Information**

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Neither DHK, nor its management, have any adverse financial situations that would reasonably impair the ability of DHK to meet all obligations to its Clients. Neither DHK, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. DHK is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

# **Form ADV Part 2B – Brochure Supplement**

**for**

**Timothy W. Dempsey  
President, Chief Compliance Officer**

**Effective: March 26, 2021**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Timothy W. Dempsey (CRD# 1800163) in addition to the information contained in the DHK Financial Advisors Inc. (“DHK” or the “Advisor”, CRD# 106126) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the DHK Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (603) 436-5801 or by email at [info@dhkfinancial.com](mailto:info@dhkfinancial.com).

Additional information about Mr. Dempsey is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 1800163.

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## Item 2 – Educational Background and Business Experience

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Timothy W. Dempsey, born in 1965, is dedicated to advising Clients of DHK as the President and Chief Compliance Officer. Mr. Dempsey earned a Master of Business Administration from Southern New Hampshire University in 1991. Mr. Dempsey also earned a Bachelor of Arts from Hartwick College in 1987. Additional information regarding Mr. Dempsey's employment history is included below.

### Employment History:

President, Chief Compliance Officer, DHK Financial Advisors Inc.	06/1993 to Present
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## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Dempsey.*** Mr. Dempsey has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Dempsey.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Dempsey.***

However, we do encourage you to independently view the background of Mr. Dempsey on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 1800163.

## Item 4 – Other Business Activities

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Mr. Dempsey is dedicated to the investment advisory activities of DHK's Clients. Mr. Dempsey does not have any other business activities.

## Item 5 – Additional Compensation

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Mr. Dempsey is dedicated to the investment advisory activities of DHK's Clients. Mr. Dempsey does not receive any additional forms of compensation.

## Item 6 – Supervision

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Mr. Dempsey serves as the Chief Compliance Officer of DHK. Mr. Dempsey can be reached at (603) 436-5801.

DHK has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of DHK. Further, DHK is subject to regulatory oversight by various agencies. These agencies require registration by DHK and its Supervised Persons. As a registered entity, DHK is subject to examinations by regulators, which may be announced or unannounced. DHK is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

# Form ADV Part 2B – Brochure Supplement

for

**Charles D. Brown  
Managing Director**

**Effective: March 26, 2021**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Charles D. Brown (CRD# 2934793) in addition to the information contained in the DHK Financial Advisors Inc. (“DHK” or the “Advisor”, CRD# 106126) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the DHK Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (603) 436-5801 or by email at [info@dhkfinancial.com](mailto:info@dhkfinancial.com).

Additional information about Mr. Brown is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2934793.

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## Item 2 – Educational Background and Business Experience

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Charles D. Brown, born in 1965, is dedicated to advising Clients of DHK as a Managing Director. Mr. Brown earned a Bachelor of Arts in Political Science from University of North Carolina at Chapel Hill in 1989. Mr. Brown also earned a Master of Business Administration in Finance from Darden Graduate Business School at University of Virginia in 1997. Additional information regarding Mr. Brown's employment history is included below.

### Employment History:

Managing Director, DHK Financial Advisors Inc.	01/2016 to Present
Principal, Fiduciary Wealth Partners, LLC	05/2015 to 01/2016
Managing Director, Windhaven Investment Management, Inc.	11/2010 to 05/2015
Vice President, Windward Investment Management, Inc.	02/2009 to 11/2010

## Item 3 – Disciplinary Information

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**There are no legal, civil or disciplinary events to disclose regarding Mr. Brown.** Mr. Brown has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Brown.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. **As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Brown.**

However, we do encourage you to independently view the background of Mr. Brown on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2934793.

## Item 4 – Other Business Activities

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Mr. Brown is dedicated to the investment advisory activities of DHK's Clients. Mr. Brown does not have any other business activities.

## Item 5 – Additional Compensation

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Mr. Brown is dedicated to the investment advisory activities of DHK's Clients. Mr. Brown does not receive any additional forms of compensation.

## Item 6 – Supervision

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Mr. Brown serves as the Managing Director of DHK and is supervised by Timothy Dempsey, the Chief Compliance Officer. Mr. Dempsey can be reached at (603) 436-5801.

DHK has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of DHK. Further, DHK is subject to regulatory oversight by various agencies. These agencies require registration by DHK and its Supervised Persons. As a registered entity, DHK is subject to examinations by regulators, which may be announced or unannounced. DHK is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

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Effective: March 26, 2021

### Our Commitment to You

DHK Financial Advisors Inc. (“DHK” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. DHK (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

DHK does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

**How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p>	Yes	No
<p><b>Marketing Purposes</b> DHK does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where DHK or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	Not Shared
<p><b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).</p>	Yes	Yes
<p><b>Information About Former Clients</b> DHK does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

**State-specific Regulations**

Massachusetts	In response to Massachusetts law, the Client must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. Client opt-in is obtained through the Client’s execution of authorization forms provided by the third parties, by executing an Information Sharing Authorization Form, or by other written consent by the Client, as appropriate and consistent with applicable laws and regulations.
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**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting the Advisor at (603) 436-5801 or via email at [info@dhkfinancial.com](mailto:info@dhkfinancial.com).