

ESSENTIAL INVESTMENT PARTNERS, LLC

[www.essentialinvestment.com](http://www.essentialinvestment.com)

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Essential Investment Partners, LLC

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March 18, 2024

This Brochure provides information about the qualifications and business practices of Essential Investment Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at 303.333.8498. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Essential Investment Partners, LLC is registered with the SEC as an investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.

Additional information about Essential Investment Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

- Essential Investment Partners, LLC did not have any material changes in 2023.

Our Brochure may be requested by contacting Kelly Sumner at 303.333.8498 or [ksumner@essentialinvestment.com](mailto:ksumner@essentialinvestment.com). Our current Brochure is available on our website [www.essentialinvestment.com](http://www.essentialinvestment.com).

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#### **Item 4 – Advisory Business**

Essential Investment Partners, LLC (“Essential”) is an investment counsel and wealth management firm registered as an Investment Adviser with the United States Securities and Exchange Commission. As of January 1, 2019, Essential is owned in equal shares by Maurer & Associates Capital Management, Inc. (in turn owned 100% by Michael K. Haines) and Essential Advisers, Inc. (in turn owned 100% by Jonathan F. Zeschin). Mr. Haines serves as partner and chief investment officer of Essential and Mr. Zeschin serves as partner and chief executive officer.

#### **Advisory Services**

Essential provides customized investment and financial management services to its clients, which currently include individuals, family entities, partnerships, trusts, other investment advisers, retirement plans, charitable organizations and other entities. As an Investment Adviser, we are fiduciaries of clients who contract for our Advisory Services. Therefore, we always seek to put our clients’ interests ahead of our own.

Typically through extensive personal discussions with each client, the client and Essential establish goals and objectives based on the client’s unique circumstances. Essential then develops an Investment Policy Statement (“IPS”) for each portfolio associated with that client relationship. Each client relationship may be comprised of multiple portfolios with different purposes or with different legal owners associated with the client relationship.

Essential creates and manages each investment portfolio based on the associated IPS. Essential will usually manage the advisory portfolios on a discretionary basis but may provide non-discretionary management in certain circumstances. Ongoing portfolio management is guided by the stated objectives of the client as reflected in the IPS.

For Advisory Services, we typically request written discretionary authority from our clients to determine which securities to buy or sell on their behalf. Any limitations on this discretionary authority, and the scope of any non-discretionary authority, will be included in this written authority statement. Clients may change/amend these limitations at any time with notice to Essential.

Essential does not serve as custodian of client assets (except in certain limited capacities described in Item 15) – an independent custodian, Fidelity Investments, holds all marketable securities owned by clients. Private fund investments are generally made pursuant to agreements directly between the client and the private fund. Essential has no independent authority to withdraw assets or funds from client accounts, other than for the limited purpose of collecting fees. Any other withdrawals must be pre-authorized by clients.

## **Wealth Management Consulting**

Essential provides planning and advice for clients in developing and implementing wealth management strategies designed to achieve their objectives. In most cases, this planning and advice is incidental to our Advisory Services and takes place in conjunction with the process of in-depth client discussions associated with their overall financial objectives. In general, this planning and advice may address some or all of the following areas:

- Financial goals, account ownership, family business structure and transfers, budgeting, insurance needs, and estate strategy
- Income tax and spending analysis and planning for past, current and future years
- Analysis of liquidity needs at death and income needs of surviving dependents; estate and lifetime transfer planning; and analysis and illustrations of various estate planning techniques
- Analysis of strategies and investment plans to help the client achieve his or her retirement goals

When appropriate, we work closely with the client's legal and tax advisers to identify issues and develop appropriate solutions. In rare instances, a client may ask that we undertake a project that is large enough so that it is no longer incidental to our Advisory Services. In this case, we will enter into a separate contract for consulting services that outlines the scope of work to be performed and the expected deliverables. This type of engagement would typically be done on an hourly basis at agreed upon rates and terms, disclosed and contracted for in advance. Whether provided incidental to Advisory Services or under separate contract, implementation of wealth management consulting recommendations is entirely at the client's discretion.

## **Separate Account Management**

The Essential Growth Portfolio<sup>SM</sup> ("EGP")(described further below) is among the building blocks for Advisory Services clients' portfolios. This strategy was designed for high net worth investors – the strategy seeks to achieve its objective with a strong focus on risk control.

Individuals, financial advisers, and other institutions have retained us to manage this strategy as a separate account. In a separate account, the securities are held at an independent custodian and owned by the client. However, unless the client has requested customization, we strive for each account in the strategy to hold the same securities in same weightings. Of course, there will always be some differences across accounts as a result of timing, tax considerations and other client-specific issues.

As these relationships focus solely on investments (in contrast to the broad and deep Advisory Services client relationships described above), we provide these separate account services on Fidelity Investments' custodial platform.

## Assets Under Management

As of January 30, 2024, assets under management for Essential were approximately as follows:

Discretionary:	\$ 180,052,304
Non-Discretionary:	<u>\$ 9,670,948</u>
Total:	\$ 189,723,252

## Item 5 – Fees and Compensation

### Advisory Services

Fees for Advisory Services are calculated at the client level. The annual fee for Advisory Services will be charged as a percentage of assets under management, according to the schedule below:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
First \$2 million;	1.00%
next \$3 million;	0.75%
thereafter	0.50%

A minimum fee of \$10,000 or an initial investment of \$1 million is usually required for Advisory Services. However, these minimums may be lowered for certain groups and may be negotiable in certain circumstances at the discretion of Essential. We strive to ensure the reasonableness of the fees we charge to clients in relation to the value of our services.

Clients will typically be invoiced in arrears at the beginning of each calendar quarter based upon the average daily portfolio value (market value or fair market value in the absence of market value) of the clients' investments for the immediately preceding quarter. Fees are normally deducted directly from clients' accounts. Essential uses certain safeguards in connection with deductions of fees, including: (i) advance written authorization from clients; (ii) providing clients with itemized invoices; and (iii) seeking to ensure that the custodian sends statements to clients reflecting all disbursements (including advisory fees).

All fees are negotiated and agreed upon in writing in advance of the work performed. Negotiated fees may depart from the schedule stated above. An Advisory Services agreement may be terminated at any time, by either party, for any reason upon receipt of 30 days' written notice. Upon termination of any account, any earned, unpaid fees will be due and payable immediately. A client has the right to terminate an Advisory Services agreement for any reason without penalty within five business days after entering into the agreement. Clients may inquire about any refundable fees by contacting Essential directly at 303.333.8498.

Fees are waived for accounts of certain members of employees' families.

All fees paid to Essential for Advisory Services are separate and distinct from the fees and expenses charged by mutual funds and other pooled investment vehicles to their investors. These fees and expenses are described in each prospectus, offering document or other applicable disclosure document. For mutual funds and other packaged products, these fees will generally include a management fee, other fund expenses, and, in many cases, a distribution fee. For pooled investment vehicles other than mutual funds, fees will also typically include a share of partnership profits (income and/or capital gains). If you are an investor in such funds, you will indirectly bear such fees and expenses.

If a fund also imposes sales charges or redemption fees, a client may pay an initial or deferred sales charge or a redemption fee. However, most mutual funds on the Fidelity Institutional/NFS platform are available to our clients without an initial or deferred sales charge. A client could invest directly in some or all of these types of investment products, without the services of Essential. In that case, the client would not receive the services provided by Essential which are designed, among other things, to assist the client in determining which investments are most appropriate for each client's financial condition and objectives. Accordingly, the client should review the fees charged by the funds and the alternative investments and the fees charged by Essential to fully understand the total amount of fees to be paid by the client.

Essential's fees are exclusive of brokerage commissions, transaction fees, custodian fees and other related third-party expenses which may typically be incurred by the client. Essential earns no commissions on investment transactions for clients and typically strives to avoid investments in funds that charge initial or deferred sales commissions. Essential receives no income from any investment product sponsor or provider – our sole source of income is the advisory fees our clients pay us.

### **Separate Account Management**

Our standard fee structure for EGP separate accounts is 0.75% of assets per annum. A minimum annual fee of \$1,875 or initial investment of \$250,000 is usually required. However, this fee may be lower if Essential is retained by an independent financial adviser who retains primary client service responsibility. Fees may be negotiable in certain circumstances at Essential's discretion.

### **Wealth Management Consulting**

As described above, wealth management consulting services are typically incidental to our Advisory Services, and take place in conjunction with in-depth client discussions. However, for projects whose scope is no longer incidental to our Advisory Services, Essential typically enters into a separate contract for wealth management consulting services. This type of engagement would typically be done on an hourly basis at agreed upon rates and terms, disclosed and contracted for in advance.

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

Essential does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Essential may provide portfolio management services to individuals, family entities, partnerships, individual retirement plans, trusts, estates, other investment advisers, charitable organizations, corporations and other entities.

Essential usually requires a minimum relationship of \$1,000,000 for Advisory Services clients. We expect that each client relationship will be comprised of multiple portfolios. Fees may be negotiated on the basis for the entire relationship and minimums may be negotiable at the discretion of Essential.

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

While all portfolios are typically customized to the unique needs of each client, there are several building blocks which are used in constructing portfolios. These building blocks include: common and preferred stocks, bonds, mutual funds, ETFs and other pooled vehicles. These building blocks are used in varying amounts and, depending on the client situation, may not be included at all.

In determining the specific investments for a portfolio, Essential will seek to use the IPS as a guide. Portfolio weightings among types of investments will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf. Clients will retain individual ownership of all securities.

### **Essential Growth Portfolio<sup>SM</sup>**

The Essential Growth Portfolio<sup>SM</sup> (EGP) seeks capital appreciation with dividend income as a secondary consideration by investing in common stocks of companies that demonstrate long histories of strong returns on equity and consistent earnings growth. These companies, which typically have market capitalizations in excess of \$2 billion, are likely to continue to deliver strong financial results in our judgment.

The Essential Growth Portfolio<sup>SM</sup> is designed to be a core holding of U.S. mid/large cap stocks in a client's investment portfolio. We seek to match or exceed U.S. equity market returns over a complete market cycle with significantly less risk. We believe that owning a portfolio of high quality companies – those with strong balance sheets, effective management, solid business plans and access to capital – will deliver excellent risk-adjusted returns over a full market cycle, if chosen according to a disciplined, value-oriented process. However, investing in stocks involves significant risk, including substantial loss of principal, and there is no guarantee that management will achieve its objectives.

We screen the universe of publicly traded U.S. stocks for companies that meet our stringent requirements for long term financial results. Then we cull this initial list for companies that are unlikely to continue their past successes because of macroeconomic headwinds or company-specific adverse developments.

For the companies that survive these screens, we review forecasts of future growth and calculation of intrinsic values based on discounted cash flow projections. We combine these values and several other



valuation metrics to determine whether each stock is trading at a significant discount to potential future value. If so, we evaluate each stock against other holdings to determine whether to add it to the portfolio.

This group of stocks is held for a client in lieu of purchasing certain types of mutual funds. All stocks in the Essential Growth Portfolio<sup>SM</sup> are typically held in each client account for which the strategy is appropriate. However, clients may request that the strategy be tailored to accommodate their preferences.

### **Mutual Funds, ETFs and Alternative Pooled Vehicles**

Mutual funds, ETFs, and alternative pooled vehicles may be used to invest in other asset classes not covered by the EGP or when investing in those strategies directly is not economically feasible. For example, mutual funds and ETFs will almost always be used to gain a diversified exposure to various types of international investments. Alternatively, very small portfolios may invest exclusively in mutual funds. Recently, alternative pooled structures, such as interval funds, tender offer funds and non-traded business development companies, have been created and utilized to invest in certain market sectors with limited liquidity. Examples include private credit, private equity and real estate.

Mutual funds, ETFs and alternative pooled vehicles will be selected on the basis of any or all of the following criteria: the fund's performance history; the fund's investment objectives; the fund's management style and philosophy and consistency thereof; the fund's expense and management fee structure; and the fund's complement to other investments in the portfolio. We may also consider the fund's style consistency, manager tenure, organizational strength, ownership structure of the adviser, recent cash flow and availability through desired custodians. For alternative pooled vehicles, liquidity constraints in the context of client needs will also be considered.

### **Individual Stocks and Bonds**

For certain clients, we may also offer advice on equity securities and taxable bonds, corporate bonds, using disciplines other than those described above. We may also offer advice on interests in partnership investments in real estate, oil and gas and private equity. Additionally, we may recommend other types of investments, such as options, since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

Our stock selection can best be described as "earnings growth driven." We believe that stock prices will generally follow earnings growth, even though that may not be true over short, or even intermediate, time periods. In addition, we look for companies who rank well in the following financial characteristics – positive earnings surprise; relatively higher annual earnings per share (EPS) growth; high return on equity (ROE); reasonable relative valuation in historical context; favorable price earnings growth (PEG) ratio; and positive technical factors. We will use stocks of companies of different sizes (market capitalization) based on specific portfolio objectives and market conditions.

Our basic goal is to purchase, on a total portfolio basis, stocks of better than S&P earnings growth at less/or equal to S&P volatility; however, in our most aggressive accounts estimated portfolio volatility or "beta" will exceed the S&P somewhat. Our past history shows that this process generally produces less

volatility than broad market indexes, however past performance is not an indication of future performance.

One of the more difficult decisions in equity investing is determining when to sell a stock. We may reduce or eliminate a position in a stock under a number of conditions such as unusually negative technical price action, fundamental deterioration, or declining comfort level regarding the company or the market environment.

Portfolio size - the portfolios typically consist of 25 - 40 stocks plus bonds if applicable. Position sizes generally are 1-4% of the total portfolio based on:

- our confidence in managements' ability to deliver anticipated financial results
- the appropriateness of the stock in terms of the conservative/aggressive nature relative to clients' goals
- the company's business model/competitive position in the context of future expected economic events

We also utilize yield-oriented investments in certain accounts. The purpose of yield-oriented investments is to reduce volatility and risk while attempting to provide an underlying base of consistent returns to the portfolio. We generally "ladder" bonds with an average maturity of between three to ten years. Various money market dynamics, including the yield curve, the major interest rate trend, and the bond call price are intensively used in managing the yield approach. Accordingly, the average length of maturity as well as industry grouping and quality, may be adjusted from time to time. For corporate bonds, we utilize our industry and company equity analysis as an aid to bond selection. In addition, our studies of cycles of inflation, deflation, and money market conditions greatly influence the buying, selling, swapping and balancing of maturities for our yield investments. We look primarily at the spreads within sectors of the fixed income markets rather than relying on an interest rate forecast.

Yield-oriented investments are made in a variety of investment-grade taxable and non-taxable instruments, such as U. S. Government and government agency bonds, corporate bonds, preferred stock, and open and closed-end mutual funds.

All of the investments we make for clients involve risk of loss that clients should be prepared to bear. These risks are inherent in the investment process and are considered in constructing the Investment Policy Statement for each client. While actual risks may vary from client to client, typical material risks include market risk (the risk that a portfolio's value will fluctuate over time in response to the overall market), specific company risk (risk associated with the decline in the financial condition of an equity security issuer), small- and mid-cap risk (risks associated with less established or newer companies, whose earnings may be less predictable), and business continuity risk (risks associated with interruptions to business operations, including interruptions attributable to public health crises). The Investment Policy Statement is included in each client contract and is specifically approved by each client in advance.

## **Item 9 – Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Essential or the integrity of our management. We have no information to report applicable to this Item.

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

Mr. Zeschin is the sole owner of Essential Advisers, Inc., a Delaware S-corporation, which in turn is a member of Essential Investment Partners, LLC. Mr. Zeschin is also the Managing Member of JZ Partners LLC, a Colorado limited liability company, which prior to 2006 provided strategic planning and other consulting services to investment management companies. Essential may recommend to clients mutual funds, the managers to which JZ Partners LLC provided strategic planning services. There are no referral arrangements, however, between Essential and those mutual funds or their managers.

Mr. Zeschin is an independent trustee of the Board of Trustees of the Matthews Asia Funds. Essential Investment Partners, LLC does not purchase Matthews Asia Funds for client portfolios. This could create a conflict of interest due to fiduciary duties Mr. Zeschin owes as a trustee to the Matthews Asia Funds as well as the fiduciary duties he owes to the clients of Essential.

Mr. Zeschin may spend up to 15% of his time on average with these activities. In light of the nature and extent of these activities, Essential believes that these activities do not pose significant risks. However, in order to address the possibility that such risks may arise, Essential has adopted policies and procedures that it believes are reasonably designed to emphasize its fiduciary duties owed to all clients and to monitor the extent to which such other activities are consistent with those fiduciary duties.

## **Item 11 – Code of Ethics**

Essential has adopted a Code of Ethics for all supervised persons of the firm describing its standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Essential must acknowledge the terms of the Code of Ethics annually, or as amended.

Essential anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Essential has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Essential, its affiliates and/or clients, directly or indirectly, have a position of interest. This represents a conflict of interest. Essential's employees and persons associated with Essential are required to follow our Code of Ethics to mitigate this conflict. Subject to satisfying this policy and applicable laws, officers, directors and employees of Essential and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics seeks to assure that the personal securities transactions, activities and interests of the employees of Essential will not interfere with (1)

making decisions in the best interest of Advisory Services clients, (2) continuity of service to Advisory Services clients, and (3) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between us and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Essential's obligation of best execution. In these circumstances, the affiliated and client accounts will share commission costs equally and receive securities at the same total average price. Essential will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Essential's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kelly Sumner at 303.333.8498 or [ksumner@essentialinvestment.com](mailto:ksumner@essentialinvestment.com).

## **Item 12 – Brokerage Practices**

For Advisory Services clients, we request that our clients provide us written authority to select broker-dealers and negotiate commission rates. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations at any time in writing.

A client may direct us to use only a certain broker/dealer for his/her transactions. In this case, the client should understand that by using a particular broker-dealer it will lose: (1) the possible advantage that non-designating clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security; (2) the ability of Essential to effectively negotiate the commission rate; and (3) the ability of Essential to seek to obtain best execution.

Essential, in seeking to obtain the best execution of portfolio transactions, may consider the quality and reliability of brokerage services, as well as brokerage and research products and services provided by brokers and dealers. Factors considered by Essential in selecting brokers and dealers may include the following: price; the broker's or dealer's facilities, reliability and financial responsibility; the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as complexity of the trade, timing, order size, and execution of orders; and the brokerage and research products and services provided by that broker or dealer to Essential. Commission rates, being a component of price, are one factor considered together with other factors.

Essential may cause a client's account to pay a broker or dealer a commission for effecting a transaction for the client's account that may be higher than a commission charged by another broker, in exchange for brokerage and/or research services. This would be a benefit to Essential because Essential does not directly produce or pay for the research or services. This may create an incentive to select a broker based on the research or other services provided rather than the client's interest in best execution, and creates a conflict of interest. However, under Section 28(e) of the Securities Exchange Act of 1934, Essential may do this if it determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage and/or research services provided by such broker. Essential has no commission-based "soft dollar" arrangements with any broker-dealer.

In addition, to mitigate and address any conflicts of interest that may arise, Essential has adopted policies and procedures to evaluate, on an ongoing basis, the value of a broker's research and brokerage services and the reasonableness of any commissions charged.

Subject to its duty to seek best price and execution, Essential will typically execute individual security trades through Fidelity Investments ("Fidelity"). Essential is permitted to use broker-dealers other than Fidelity if Essential believes it is necessary or appropriate in managing the account. If another broker is chosen to execute the transaction, Fidelity may continue to act as custodian, settling the trade and charging a settlement fee for doing so.

Because of the building block approach to portfolio construction outlined above, multiple clients will typically own many of the same securities and, therefore, we may seek to purchase or sell the same security at the same time for multiple clients. To effect these transactions most efficiently, we frequently follow the practice of "block trading" the orders of various clients for execution. Essential may elect not to aggregate trades where it believes it is not in the client's interest to do so, or where there is no disadvantage to the client in not doing so. The allocation methodology we employ varies depending on the type of securities sought to be bought or sold and the type of client or group of clients. Generally, for U.S. stocks, clients receive a pro rata allocation of the trade execution. Because of limited liquidity in closed end funds, allocations may be made based on cash availability, economic lot sizes and other considerations. Essential may use a "rotational" method of placing and aggregating client orders in closed-end funds. In addition, we may build and fill a position for a designated client or group of clients before placing orders for other clients.

### **Item 13 – Review of Accounts**

The underlying securities within Advisory Services portfolios are monitored daily by Michael Haines, Chief Investment Officer, or Jonathan Zeschin, Chief Executive Officer. The asset allocation for these accounts, relative to each account's IPS and to Essential's investment policy, is reviewed monthly and, if appropriate, rebalancing is performed. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the securities markets, the political environment or the expected outlook for the economy.

We provide our Advisory Services clients with quarterly reports that include, at a minimum, a detailed appraisal of the account's investments, a realized capital gain/loss report, and a report of total return performance, along with other reports based on client preference. Clients will also receive monthly statements and confirmations of all transactions directly from the client's custodian.

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

Essential participates in Fidelity's service programs for registered investment advisors. While there is no direct linkage between the investment advice we give and our participation in these programs, we receive economic benefits that we would not receive if we did not participate in the programs. These benefits include: research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investments. Also available through Fidelity are products and services that benefit Essential but may not benefit our clients, including software and other technology that provide access to client account data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from our clients' accounts and assist with back-office support, recordkeeping and client reporting, including duplicate client confirmations. Fidelity may also provide us with other services intended to help us manage and further develop our business, including consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance and marketing. Fidelity may make available, arrange and/or pay for these types of services to Essential by third parties or may discount or waive fees it would otherwise charge for these services. The availability of these products and services is not contingent upon Essential committing to Fidelity any specific amount of business.

While as a fiduciary we must act in its clients' best interests, our recommendation to use Fidelity may be based in part on the benefit to us of the availability of the foregoing products and services to the extent not inconsistent with its fiduciary duties, which may create a potential conflict of interest. However, clients may choose to use a custodian other than Fidelity so long as that custodian is able to provide Essential daily automated downloads of the client's trading activity and account balances in the formats we use.

Our employees may receive a referral fee for clients they are directly and independently responsible for bringing to Essential. Payment of a portion of the fees we earn will be made to the employee, continuing for lesser of the length of employment or the length of the client relationship with Essential.

An independent Solicitor may be engaged to solicit Advisory Services or Separate Account clients for Essential. Essential will pay the Solicitor a percentage fee based on the investment advisory fees received for each Client referred by the Solicitor. This percentage may be up to 25% of the annual investment advisory fees paid by each Client during each year of the applicable Client engagement for so long as such Client's advisory contract with the Adviser remains in effect.

We will not charge clients referred through any of the above mentioned methods any fees or costs higher than our standard fee schedule offered to clients (unless the client contracts for additional or non-standard services) or otherwise pass the cost of solicitation or referral along to clients.

## **Item 15 – Custody**

Essential typically does not have physical custody of client assets, but may be regarded as having custody under securities laws by virtue of fee deductions from client accounts or in connection with certain asset transfer authorization arrangements established by its clients.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains each client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or itemized invoices that we may provide to you. Our itemized invoices will typically include your fee formula, the assets under management, and the time period covered by the fee. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

If a client wishes to authorize Essential to effect transfers of funds to third parties, Essential and the client's custodian may require additional written documentation or procedures beyond the client's instructions. For example, the client's custodian must be able to perform some manner of verification of client instructions, and must send the client notices confirming these instructions. Clients will have the ability to change or terminate such instructions from time to time. Essential cannot assume any authority or ability to designate or change the identity of the client's third-party transferee.

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

We usually receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. This discretionary authority is usually provided pursuant to the Advisory Services Agreement entered into with Essential. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account as specified in the Investment Policy Statement, including any limitations or restrictions imposed by the client. All such guidelines and restrictions must be provided to Essential in writing.

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

Essential retains authority to vote client securities, and has adopted proxy voting policies and procedures designed to ensure that it votes proxies in the best interests of its clients and complies with the recordkeeping requirements of the Investment Advisers Act of 1940. A complete copy of our proxy voting policies is available at our office. Clients may request a record of proxies voted on their behalf by contacting us directly.

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

Because our Advisory Services fees are billed in arrears and not in advance and Essential does not take custody of client assets (except for the limited purpose of collecting Advisory Services fees or in connection with certain client-authorized transfer arrangements as describe herein), we are not required to provide financial statements for Essential. However, we are not aware of any financial condition which would impair our ability to meet our contractual commitments to our clients. Essential, Mr. Zeschin and Mr. Haines have never been the subject of a bankruptcy petition.

## Form ADV Part 2B: Brochure Supplement

**Jonathan Frederick Zeschin**

**Essential Investment Partners, LLC**

**7887 E Belleview Ave Suite 1275, Englewood, CO 80111**

**303.333.8498**

**2024**

This Brochure Supplement provides information about Jonathan Frederick Zeschin that supplements the Essential Investment Partners, LLC Brochure. You should have received a copy of that Brochure. Please contact Kelly Sumner at [ksumner@essentialinvestment.com](mailto:ksumner@essentialinvestment.com) or 303.333.8498 if you did not receive Essential Investment Partners, LLC's Brochure or if you have any questions about the contents of this supplement. Additional information about Jonathan Frederick Zeschin is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Essential has adopted written policies and procedures which are designed to set standards for the firm, its employees, and its businesses and are also reasonably designed to detect and prevent any violations of regulatory requirements and the firm's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals he or she supervises to detect, prevent and report any activities inconsistent with the firm's procedures, policies and high professional standards.

**Jonathan Frederick Zeschin, CPA/PFS, CFP®**

**Born: 9/4/53**

### **Educational Background and Business Experience**

#### **Education**

Bachelor of Business Administration, Accounting, University of Michigan, 1975

Master of Management, Finance and Marketing, Northwestern University, 1990

#### **Employment History**

Partner, Chief Executive Officer, Essential Investment Partners, LLC from 2/09 to present

President, Treasurer, Director, Essential Advisers, Inc., from 4/00 to present

Managing Member, JZ Partners LLC, from 8/98 to present

President, Founders Asset Management, Inc., from 4/95 to 7/98

Executive Vice President, INVESCO Funds Group, Inc. from 1/92 to 4/95



### **Professional Designations**

Mr. Zeschin is a Certified Public Accountant (CPA) and has been licensed in Colorado since 2010. Three fundamental requirements must be fulfilled to become a CPA: (1) achieve the minimum educational requirements required by the applicable state board; (2) pass all four sections of the Uniform CPA Examination; and (3) attain the experience requirement specified by the applicable state board. Once licensed, the applicable state board also specifies continuing education requirements for continuing licensure.

Mr. Zeschin also holds the Personal Financial Specialist (PFS) credential from the American Institute of Certified Public Accountants (AICPA). To achieve this credential, one must: (1) be a licensed CPA; (2) be a member of the AICPA in good standing; (3) complete comprehensive personal financial planning education; (4) attain a specified level of personal financial planning experience; and (5) pass a personal financial planning examination (such as the Certified Financial Planner examination – see below). Continuing education is also required to maintain this credential.

Mr. Zeschin is also a Certified Financial Planner® Certificant. In order to obtain the CFP® Certification, one must meet the following requirements promulgated by the Certified Financial Planner Board of Standards: (1) complete the education requirements; (2) pass the CFP® Certification Examination; (3) meet the experience requirement; and (4) pass certain fitness standards and a background check. After certification, continued education requirements must be met for renewal of the CFP® Certification.

### **Disciplinary Information**

Mr. Zeschin has not been the subject of any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of Mr. Zeschin.

### **Other Business Activities**

Mr. Zeschin is also the Managing Member of JZ Partners LLC, which prior to 2006 provided strategic planning and other consulting services to investment management companies. Essential Investment Partners, LLC may recommend to clients mutual funds the manager to which JZ Partners LLC provided strategic planning services. There are no referral arrangements, however, between Essential Investment Partners, LLC and those mutual funds or their managers.

Mr. Zeschin is an independent trustee of the Board of Trustees of the Matthews Asia Funds. Essential Investment Partners, LLC does not purchase Matthews Asia Funds for client portfolios. This could create a conflict of interest due to fiduciary duties Mr. Zeschin owes as a trustee to the Matthews Asia Funds as well as the fiduciary duties he owes to the clients of Essential.

Mr. Zeschin may spend up to 15% of his time on average with this responsibility. In light of the nature and extent of the position, Essential believes that the activities do not pose significant risks. However, in order to address the possibility that such risks may arise, Essential has adopted policies and procedures that it believes are reasonably designed to emphasize its fiduciary duties owed to all clients and to monitor the extent to which such other activities are consistent with those fiduciary duties.

**Additional Compensation**

Mr. Zeschin does not receive any economic benefit, such as a sales award or other prize, for providing advisory services from someone who is not an Essential client.

**Supervision**

As Chief Executive Officer of Essential, Mr. Zeschin is primarily responsible for supervising the provision of investment advisory services on behalf of Essential. However, Essential's Chief Compliance Officer, Kelly Sumner, has responsibility for reviewing Mr. Zeschin's investment advisory activities strictly from a compliance perspective. Ms. Sumner can be contacted directly at 303.333.8498.

**Michael Kenneth Haines**

**Essential Investment Partners, LLC**

**7887 E Belleview Ave Suite 1275, Englewood, CO 80111**

**303.333.8498**

**2024**

This Brochure Supplement provides information about Michael K. Haines that supplements the Essential Investment Partners, LLC Brochure. You should have received a copy of that Brochure. Please contact Kelly Sumner at 303.333.8498 or [ksumner@essentialinvestment.com](mailto:ksumner@essentialinvestment.com) if you did not receive Essential Investment Partners, LLC's Brochure or if you have any questions about the contents of this supplement. Additional information about Michael K. Haines is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Haines' CRD number is 2005250.

Essential has adopted written policies and procedures which are designed to set standards for the firm, its employees, and its businesses and are also reasonably designed to detect and prevent any violations of regulatory requirements and the firm's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals he or she supervises to detect, prevent and report any activities inconsistent with the firm's procedures, policies and high professional standards.

**Michael Kenneth Haines**

**Born: 8/31/61**

### **Educational Background and Business Experience**

#### **Education**

BA Chemistry, Colorado College, 1983

MBA Finance, University of Denver, 1986

#### **Employment History**

Partner, Chief Investment Officer, Essential Investment Partners, LLC from 1/19 to present

President and Owner, Maurer & Associates Capital Management, Inc. from 1/17 to present

Chief Operating Officer, Maurer & Associates Capital Management, Inc. from 8/15 to 12/16

Minority Shareholder, Maurer & Associates Capital Management, Inc. from 6/14 to 12/16

Founder/Principal, JDH Capital Management, LLC from 10/03 to 2/13

#### **Disciplinary Information**

To his knowledge, Mr. Haines does not have, nor has he ever had, any material disciplinary or legal action against him.

**Other Business Activities**

None.

**Additional Compensation**

Mr. Haines does not receive any economic benefit, such as a sales award or other prize, for providing advisory services from someone who is not an Essential client.

**Supervision**

As Chief Investment Officer of Essential, Mr. Haines is primarily responsible for supervising the provision of investment advisory services on behalf of Essential. However, Essential's Chief Executive Officer, Jon Zeschin, has responsibility for reviewing Mr. Haines' investment advisory activities. Mr. Zeschin can be contacted directly at 303.333.8498.