

**Part 2A of Form ADV: Firm Brochure**

# Bahl&Gaynor

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12/12/2024

This brochure provides information about the qualifications and business practices of Bahl & Gaynor, Inc. If you have any questions about the contents of this brochure, please contact us at 513-287-6100 or [info@bahl-gaynor.com](mailto:info@bahl-gaynor.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Bahl & Gaynor, Inc is a registered 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 the information about which you determine to hire or retain an adviser.

Additional information about Bahl & Gaynor, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106139.

## Item 2 Material Changes

2/2024

Item 4.a. Management Services

Remove:

Total Return Bond Strategy – Employs an active management style that has the ability to invest across the spectrum of the US bond market. This includes Government, Agency, Municipal, Corporate (Investment Grade and High Yield), Mortgage-backed, and Preferred Stock. This product seeks relative value and margin of safety across various fixed income sectors.

Environmental, Social & Governance (ESG) Dividend Growth – High quality, dividend growth with an ESG overlay

2/2024

Item 5 Fees and Compensation

Remove:

ESG Dividend Growth from investment strategies

2/2024

Item 5 Fees and Compensation

Add:

Small Cap and smig Cap from investment strategies

2/2024

Item 5 Fees and Compensation

Update Fee Schedule to:

Assets Under Management

1% on first \$1 million

.85% on next \$2 million

.6% on next \$2 million

.5% on amounts over \$5 million

2/2024

Item 5 Fees and Compensation

Remove:

The following schedule is considered for clients with the investment strategies of Small Cap or Smig Cap:

Assets Under Management

.9% on first \$5 million

.7% on next \$5 million

.65% on amounts over \$10 million

B&G's minimum account fee is \$7,000.00 which on occasion may be waived or discounted.

2/2024

Update minimum account requirement to:

A minimum of \$1,000,000.00 of assets under management is required for all service.

2/2024

ADV Part 2B

Add for all Financial Professionals:

All Bahl & Gaynor financial professionals who meet their goals are eligible to participate in an equity program.

6/2024

Throughout: Update the name change of AAM Bahl & Gaynor Small/Mid Cap Income Growth Fund (SMIG) to Bahl & Gaynor Small/Mid Cap Income Growth ETF (SMIG) and AAM/Bahl & Gaynor Income Growth Fund mutual fund to Bahl & Gaynor Income Growth Fund mutual fund

Throughout: Update Sub-Advisory language to Advisory language for Bahl & Gaynor Small/Mid Cap Income Growth ETF (SMIG) and Bahl & Gaynor Income Growth Fund mutual fund:

B&G is the Adviser to the Bahl & Gaynor Small/Mid Cap Income Growth ETF (SMIG). As the Fund's investment advisor, B&G arranges for transfer agency, custody, fund administration, distribution, and all other services necessary for the Fund to operate. For the services it provides to the Fund, the Fund pays Bahl & Gaynor a unified management fee, which is calculated daily and paid monthly, at an annual rate of 0.60% of the fund's average daily net assets.

You can obtain information regarding the Fund by contacting the Fund at c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or by calling 1-800-617-0004.

B&G is the Adviser to the Bahl & Gaynor Income Growth Fund mutual fund. As the Fund's investment adviser, B&G provides investment advisory services to the Fund, including monitoring and measuring the Fund's risk and return against appropriate benchmarks and peers. B&G is responsible for the day-to-day management of the Fund's portfolio, selection of the Fund's portfolio investments and supervision of its portfolio transactions subject to the general oversight of the Board and the adviser. For providing services to the Fund, B&G receives an annual advisory fee equal to 0.45% of the average daily net assets of the Fund. The Fund's SAI provides additional information about fees paid to the Adviser.

6/2024

Item 5 Fees and Compensation

Update Fee Schedule to:

Assets Under Management

1% on first \$1 million

.85% on next \$2 million

.65% on next \$2 million

.5% on amounts over \$5 million

11/2024

Item 4. Advisory Business

Add Eric M. Aber, Director of Software & Automation

11/2024

#### Item 4.a Management Services

Remove:

Furthermore, B&G engages a wholesaler for the operations and servicing responsibilities of several SMA programs where B&G's investment strategies are available. These wholesalers do not have any responsibility, discretion or authority for any investment decisions for these SMA accounts. In some cases, B&G will provide the model trade to the wholesaler. The wholesaler interacts with some of the SMA providers that are responsible for executing the recommended transactions.

Update telephone numbers for the BGIG and SMIG ETF to 855-994-1711

11/2024

#### Item 5 Fees and Compensation

Update fee language to:

The majority of B&G fees are paid quarterly and in arrears. Clients may authorize B&G to deduct fees directly from their custodial accounts; otherwise, clients are responsible for paying fees to B&G directly.

For relationships involving B&G and discretionary platform partners, fees are billed in advance. Billing in advance covers a full quarter, and fees are based on the anticipated advisory services for that period.

Add:

B&G will calculate fees for assets invested in Alternative Funds based on the most recent reported market value, which is typically subject to a delayed reporting period. Fees will be paid quarterly, in arrears, based on the reported market value as of the last day of the month prior to billing. In addition, to Alternative Funds, the client will incur charges imposed directly on the fund and series level (e.g. management fees and other fund expenses).

11/2024

#### Item 5.b General Information

Update Termination of Advisory Relationship:

B&G generally charges advisory fees either in arrears or in advance, depending on the client relationship. For certain accounts, fees are billed quarterly in advance based on the anticipated advisory services for the upcoming period.

In the event of termination mid-period, clients are rebated any unearned portion of prepaid fees. B&G will calculate the earned portion of the fee up to the termination date. The remaining unearned fee will be refunded to the client, either directly or to the custodial account from which the fee was originally deducted.

11/2024

#### Item 8.a. Methods of Analysis and Investment Strategies

Add:

B&G from time to time may decide to invest in Alternative Funds when appropriate for B&G clients. Such investments are conditional on the client being an Accredited Investor, Qualified

Purchaser, financially sophisticated and fully capable of assessing the merits and risk of the investment, and financially able to bear the risk of the illiquidity of the interests and the risk of losing all or substantially all investment in the fund. The investment shall be conditioned on the client's approval in writing.

11/2024

#### Item 11.b. Personal Trading

Update Language:

Employees of B&G are permitted to buy and sell securities for their personal accounts. To address potential conflicts of interest, our Code of Ethics mandates that employees: (1) pre-clear certain personal securities transactions, (2) report their personal securities transactions on at least a quarterly basis, and (3) provide B&G with a detailed summary of specific holdings at the start of employment and annually thereafter, including those over which they have a direct or indirect beneficial interest.

Potential conflicts may arise when employees trade in the same securities that B&G is buying, selling, or holding on behalf of clients, as this could result in employees receiving a more favorable price than clients trading in the same security.

To mitigate these conflicts, B&G has implemented a personal trading policy. A "restricted list" of securities is maintained to notify employees of securities they are prohibited from trading in their own accounts. Generally, employees must refrain from trading these securities for a specified period, typically one week after B&G has made a similar transaction for client accounts.

To further support our compliance oversight, B&G utilizes Compliance Alpha, a compliance technology platform that automates and enhances the efficiency of our compliance monitoring. Compliance Alpha assists our compliance team in tracking adherence to regulatory and internal standards, providing real-time data insights, and supporting timely risk assessments. This technology is one of the tools we use within our comprehensive compliance framework.

Our compliance staff monitors employee trading activity against the restricted list through quarterly transaction reports. Any policy violations are addressed by the Chief Compliance Officer in accordance with the Code of Ethics.

11/2024

#### Item 14 Client Referrals and Other Compensation

Update Language:

B&G does not receive any economic benefits, including sales awards, referral fees, or other compensation, from third parties in connection with providing advisory services to clients. Additionally, B&G does not compensate any third parties for client referrals.

12/2024

Throughout: Update ADV to incorporate two new Bahl & Gaynor advised ETFs, Bahl & Gaynor Dividend ETF (BGDV) and Bahl & Gaynor Small Cap Dividend ETF (SCDV).

12/2024

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading  
Add 11.c.:

Bahl & Gaynor's firm accounts aim to invest in Bahl & Gaynor-advised ETFs over time, to build a long-term investment from the firm's balance sheet. We believe these investments intend to align the interests of the company, employees, and clients.

Bahl & Gaynor may invest in its ETFs over time through trading activity in the market. Bahl & Gaynor will endeavor to make those trades in such a way that minimizes potential market impact. When transacting in the advised ETFs, Bahl & Gaynor may consider various factors including daily volume.

We understand that the volume and timing of Bahl & Gaynor transactions does not reflect the liquidity of the advised ETFs, which is determined by the liquidity of their underlying holdings.

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## Item 4 Advisory Business

Bahl & Gaynor, Inc. ("B&G") is a SEC-registered investment adviser with its principal place of business located in Ohio. B&G began conducting business in 1990. Bahl & Gaynor, Inc. is also conducting business using the name Bahl & Gaynor Investment Counsel.

Listed below are the firm's directed shareholders and executive officers:

Vere W. Gaynor, Director Emeritus  
Charles A. Pettengill, Chairman of the Board  
Edward A. Woods, Director, Secretary  
John B. Schmitz, Director, Treasurer  
Ellis D. Hummel, Director  
W. Jeff Bahl, Director  
Robert S. Groenke, Chief Executive Officer & President  
Kevin T. Gade, Chief Operating Officer  
Peter M. Kwiatkowski, Chief Investment Officer  
Tita A. Rogers, Chief Compliance Officer  
Jenelle M. Armstrong, Chief Administrative Officer  
Glenn D. Warden, Chief Technology Officer  
Eric M. Aber, Director of Software & Automation  
Stephanie S. Thomas, Institutional Client Managing Director  
Nicholas W. Puncer, Institutional Product Managing Director  
Christopher J. Heekin, Wealth Management Managing Director  
Peter G. Knipe, Managing Director  
John P. Galvin, Sr., Managing Director

B&G offers the following advisory services to our clients:

### 4.a. MANAGEMENT SERVICES

Bahl & Gaynor provides portfolio management investment advisory services for individual and institutional clients.

Meetings and discussions with clients help determine an appropriate asset allocation and portfolio strategy. The portfolio may be managed uniquely for that client or it may be determined that a model portfolio better suits the clients' objectives.

If an account is invested in a particular model the goals and objectives of the model are followed. The client still has the ability to place certain restrictions on the securities chosen. The client retains individual ownership of the securities. The following models are currently managed \_\_\_\_\_ at \_\_\_\_\_ B&G:

***Dividend Growth*** – *Income Growth, Downside Protections and Capital Appreciation*

***Income Growth*** – *Current and Growing Income, Downside Protection and Capital Appreciation*

**Small Cap Growth** – Capital Appreciation, Downside Protection and Income focusing on small capitalization stocks

**smig** - Current and Growing Income, Downside Protection and Capital Appreciation focusing on small to middle capitalization stocks

Some of these model strategies are also available to clients of some other investment advisory firms through **Separately Managed Accounts (SMA) and Unified Managed Accounts (UMA) programs**. In this instance B&G does not work directly with the individual client to determine if the model portfolio meets that client's investment objectives or risks.

B&G also provide certain **financial planning services** to clients who have elected this service, which includes an analysis of a client's current financial situation and assistance in identifying and implementing appropriate strategies to meet their financial objectives. We gather information through in-depth personal interviews and/or the use of a questionnaire completed by the client. Information includes the client's current financial status, tax status, future goals, and return objectives. We then review the information provided by the client, conduct analysis and present a written financial analysis to the client. There is no separate fee schedule for utilizing financial planning tools.

Financial planning service may include the following as selected by the client:

- Assisting clients in developing and prioritizing goals and objectives
- Creating a current net worth statement
- Review of your current investment holdings and evaluate options for suggested asset allocation
- Developing an action plan to implement agreed upon recommendations
- Work with outside professionals to implement tax strategies, insurance planning, and estate planning as directed by the client
- B&G does not provide tax, insurance, or legal advice, and recommends you consult with your tax and/or legal adviser for guidance

B&G has also **presented a Sub-Adviser** to clients who it believes is a suitable candidate for the provision of investment advisory services to invest and reinvest the account, primarily in tax-exempt fixed income municipal securities. B&G would have discretionary authority to hire and fire the sub-adviser and re-allocate assets among them.

B&G is the Adviser to the Bahl & Gaynor Income Growth ETF (**BGIG**), Bahl & Gaynor Small/Mid Cap Income Growth ETF (**SMIG**), Bahl & Gaynor Dividend ETF (**BGDV**), and Bahl & Gaynor Small Cap Dividend ETF (**SCDV**). As the Fund's investment advisor, B&G arranges for transfer agency, custody, fund administration, distribution, and all other services necessary for the Fund to operate. For the services it provides to the Fund, the Fund pays Bahl & Gaynor a unified management fee, which is calculated daily and paid monthly.

- Annual rate of 0.45% of the Bahl & Gaynor Income Growth ETF (**BGIG**), average daily net assets.

- Annual rate of 0.60% of the Bahl & Gaynor Small/Mid Cap Income Growth ETF (**SMIG**), average daily net assets.
- Annual rate of 0.45% of the Bahl & Gaynor Dividend ETF (**BGDV**), average daily net assets.
- Annual rate of 0.70% of the Bahl & Gaynor Small Cap Dividend ETF (**SCDV**), average daily net assets.

You can obtain information regarding the Fund by contacting the Fund at c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or by calling 1-855-994-1711.

B&G is the Adviser to the **Bahl & Gaynor Income Growth Fund Mutual Fund**. As the Fund's investment adviser, B&G provides investment advisory services to the Fund, including monitoring and measuring the Fund's risk and return against appropriate benchmarks and peers. B&G is responsible for the day-to-day management of the Fund's portfolio, selection of the Fund's portfolio investments and supervision of its portfolio transactions subject to the general oversight of the Board and the adviser. For providing services to the Fund, B&G receives an annual advisory fee equal to 0.45% of the average daily net assets of the Fund. The Fund's SAI provides additional information about fees paid to the Adviser.

B&G has a unique investment strategy, see Item 8, but individual client portfolios may be very different due to the unique circumstances of each client. **All investments contain some level of risk.** Upon client request and a further review of objectives and risk tolerances, we may also invest in other investment vehicles. These include option contracts, real estate, limited partnerships, exchange traded funds and private equity.

#### 4. b. ASSETS UNDER MANAGEMENT

As of 10/31/2024, we were actively managing \$19,869,054,424 of clients' assets on a discretionary basis plus \$363,806,962 of clients' assets on a non-discretionary basis and oversee \$32,150,586,089 (10/31/2024) of clients' assets through Separately Managed Accounts (SMA) programs.

### Item 5 Fees and Compensation

The annualized fee for Portfolio Management Services will be charged as a percentage of assets under management, according to investment strategy.

The following schedule is considered the standard fee schedule for HNW clients and institutional client with the investment strategies of Quality Growth, Income Growth, Small Cap, smig Cap and all other accounts that are non-strategy specific:

<u>Assets Under Management</u>
1% on first \$1 million
.85% on next \$2 million
.65% on next \$2 million

.5% on amounts over \$5 million

B&G's minimum account fee is \$7,000.00 which on occasion may be waived or discounted.

A minimum of \$1,000,000.00 of assets under management is required for all service. This account size may be negotiable under certain circumstances. B&G groups certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Charitable accounts qualify for a 15% discount to the standard fee schedule.

The majority of B&G fees are paid quarterly and in arrears. Clients may authorize B&G to deduct fees directly from their custodial accounts; otherwise, clients are responsible for paying fees to B&G directly.

For relationships involving B&G and discretionary platform partners, fees are billed in advance. Billing in advance covers a full quarter, and fees are based on the anticipated advisory services for that period.

Clients who have agreed to the terms to engage Sub-Advisers for their fixed income assets agrees that B&G will pay the sub-adviser for its services on a quarterly basis, an amount equal to a percentage of the fair market value of the assets in the accounts. The value of the accounts shall include accrued interest income. The fee shall be charged to each account on a prorated basis upon inception of the account and at the beginning of each calendar quarter, thereafter, based on the portfolio value as determined by the custodian for the client accounts as of the last business day of the previous calendar quarter. The sub-adviser will receive the annual rate of 0.30% of an aggregate accounts size of under \$200 million, and 0.25% of an aggregate accounts size of greater than \$200 million.

Clients who invest in the **Bahl & Gaynor Income Growth Fund Mutual Fund** will have that asset excluded from management fees of their account.

B&G may, from time to time, recommend that a client invest in the Bahl & Gaynor Income Growth ETF (**BGIG**), Bahl & Gaynor Small/Mid Cap Income Growth ETF (**SMIG**), Bahl & Gaynor Dividend ETF (**BGDV**), and/or Bahl & Gaynor Small Cap Dividend ETF (**SCDV**) for which B&G provides investment management services. In that event, a conflict of interest arises as a result of B&G receiving a fee at the ETF level in addition to the fee it receives from the client at the account level. In that event, B&G will resolve the conflict by crediting against the account level fee an estimate of the investment management fees it receives from the fund or ETF (but not exceeding the full account level fee) for the period per the client's stated fee schedule above. This reduction is not applied at the combined and pro-rated relationship level. B&G will collect the stated full SMIG ETF management fee from the Adviser of the Fund, net of certain expenses.

B&G will calculate fees for assets invested in **Alternative Funds** based on the most recent reported market value, which is typically subject to a delayed reporting period. Fees will be paid quarterly, in arrears, based on the reported market value as of the last day of the month prior

to billing. In addition, to Alternative Funds, the client will incur charges imposed directly on the fund and series level (e.g. management fees and other fund expenses).

In the event the client account managed by B&G holds ERISA plan assets or assets of an IRA or other account subject to Section 4975 of the Internal Revenue Code, B&G will also comply with all other requirements of Prohibited Transaction Exemption 77-4.

**Limited Negotiability of Advisory Fees:** Although B&G has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis for all investment strategies. The specific annual fee schedule will be identified in the contract between the adviser and each client.

#### 5. a. PRICING OF SECURITIES

Securities owned by B&G's clients are priced at least monthly by an independent pricing service. From time to time some securities do not receive a price from the pricing service. It is B&G's policy to obtain the most accurate price for these excepted securities. It is possible that the value of these securities may be overstated or understated at the month end valuation. B&G takes considerable care to provide as accurate a price as possible. This process presents a possible conflict of interest in that a higher valuation for a security would result in a higher fee.

#### 5. b. GENERAL INFORMATION

**Termination of the Advisory Relationship:** B&G generally charges advisory fees either in arrears or in advance, depending on the client relationship. For certain accounts, fees are billed quarterly in advance based on the anticipated advisory services for the upcoming period.

In the event of termination mid-period, clients are rebated any unearned portion of prepaid fees. B&G will calculate the earned portion of the fee up to the termination date. The remaining unearned fee will be refunded to the client, either directly or to the custodial account from which the fee was originally deducted.

**Mutual Fund Fees:** Client portfolios may, from time to time, be invested, in part, in mutual funds/index funds/exchange traded funds. Mutual funds/index funds/exchanged traded funds pay advisory fees to their investment advisers, which reduces the assets of the fund accordingly. B&G's clients are billed an advisory fee set forth in the advisory agreement and clients investing in mutual funds/index funds/exchanged traded funds may therefore pay two levels of advisory fees with respect to the portion of their portfolio invested in mutual funds/index funds/exchange traded funds.

**Wrap Fee Programs and Separately Managed Account Fees:** B&G is not a sponsor of a wrap fee program. But some clients of B&G may participate in a wrap fee program sponsored by the custodian. Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by B&G. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a

wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without a commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

**Retirement Account(s):** When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and broker dealers, including, commissions and any other trade related fees. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may be available from other registered investment advisers for similar or lower fees.

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

B&G does not charge performance-based fees.

## Item 7 Types of Clients

B&G provides advisory services to the following types of clients:

Individuals (other than high net worth individuals)

High net worth individuals  
Pension and profit sharing plans (other than plan participants)  
Charitable organizations  
Corporations or other businesses not listed above  
State or municipal government entities  
Investment Companies  
Insurance Companies

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

### 8. a. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The B&G equity investment strategies are focused on high quality, dividend growth companies. We are long term investors (which we define as 2-5 years) and therefore do not generally have high turnover of the investments in our portfolios. B&G believes high quality companies generate consistent earnings growth, have very manageable debt levels, pay and grow dividends, and are leaders in their respective markets.

B&G portfolio managers/analysts (our Investment Committee) screen equities based on these high quality, fundamental characteristics. We use thorough fundamental analysis and a variety of qualitative and quantitative data points to determine which companies best fit our investment philosophy. The Investment Committee decides which stocks to include in the Model Portfolios. Individual accounts are invested by the assigned portfolio manager using individual client goals and objectives.

B&G fixed income strategy is based on the same high-quality investment philosophy of our equity investment strategy. We allocate capital in a fashion that maximizes total return relative to the client's objectives. We recognize every client's needs are different and individually tailor portfolios from both a bottom-up and top-down perspective to achieve our return objectives. We do not limit ourselves to specific ratings or maturity criteria as that may not suit our client's best interests. However, we do stress that all fixed income sectors and potential possess a "margin of safety". Additionally, we stress secondary liquidity and tax efficiency for our clients. For a portion of our municipal holdings, B&G has engaged in a relationship with a sub-adviser that specializes in tailored municipal portfolios. Such sub-advisory relationships are an exception and employed on a very limited basis.

The Bahl & Gaynor Income Growth ETF (**BGIG**), Bahl & Gaynor Small/Mid Cap Income Growth ETF (**SMIG**), Bahl & Gaynor Dividend ETF (**BGDV**), and Bahl & Gaynor Small Cap Dividend ETF (**SCDV**) offer certain potential benefits to Bahl & Gaynor clients. These benefits may include increased tax efficiency and the ability to gain diversified exposure to large-cap (**BGIG & BGDV**) and small/mid-cap (**SMIG & SCDV**) companies with a relatively small investment. In certain circumstances, the potential benefits may outweigh the added costs to clients, given that Bahl & Gaynor's investment management fees are lower than the ETF management fees.

Clients should carefully consider the potential costs and benefits of investing in the ETFs compared to all other options before making an investment decision. If an asset allocation decision is made to include the ETFs in a portfolio, Bahl & Gaynor will take steps to avoid duplicate charges on those assets. Additionally, small account sizes that do not meet the SMA account size minimums can still benefit from the ETFs.

In cases where a client account managed by Bahl & Gaynor holds ERISA plan assets or assets of an IRA or other account subject to Section 4975 of the Internal Revenue Code, Bahl & Gaynor will comply with all applicable requirements of Prohibited Transaction Exemption 77-4.

B&G from time to time may decide to invest in **Alternative Funds** when appropriate for B&G clients. Such investments are conditional on the client being an Accredited Investor, Qualified Purchaser, financially sophisticated and fully capable of assessing the merits and risk of the investment, and financially able to bear the risk of the illiquidity of the interests and the risk of losing all or substantially all investment in the fund. The investment shall be conditioned on the client's approval in writing.

#### 8. b. RISK OF LOSS

**Investing in stocks or bonds has risk** – markets can experience significant decline and specific stocks can decline due to the company's failure to meet investors' expectations. Bond investing has risks based on interest rate fluctuation and specific credit deterioration or default. Any of the above factors can lead to a loss of value.

**Cybersecurity and Business Continuity risk** – B&G has a policy in place to respond to a Significant Business Disruption (SBD). In the event of an SBD, our policy is to safeguard our employees' lives and B&G prosperity, to conduct a rapid financial and operational assessment, to recover quickly and resume operations swiftly, to protect B&G's books and records, and to allow B&G clients to transact business seamlessly. If it is determined B&G is unable to continue its business, B&G will assure clients prompt access to their funds and securities.

B&G has taken significant steps to reduce the impact of business interruptions resulting from a wide variety of potential events. This Disaster Recovery Plan (DRP) in conjunction with the Business Continuity Plan (BCP) and other related policies and procedures are meant to reduce any business downtime. These plans put in place the resources, personnel, equipment, and procedures designed to minimize operational downtime. The DRP and BCP involve defining the mission critical systems and is designed to document the information and procedures needed to safeguard business operations and restore the necessary operations after any natural or man-made disaster event.

**Natural & Unavoidable Events risk** - Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar "Act of God" events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on the world economies and markets generally. Clients may

have exposure to countries and markets impacted by such events, which could result in material losses.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

B&G and our management personnel have no reportable disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

B&G and any related persons are not engaged in other financial industry activities and have no other industry affiliations.

From time to time a broker, dealer or custodian may pay in full or in part, for educational conferences and events; consulting on technology, compliance, legal and business needs; publications and conferences on practice management and business succession; access to employee benefits providers, human capital consultants, and insurance providers; or marketing consulting and support. These benefits do not obligate Bahl & Gaynor in any way to recommend, request, or require the use of that broker, dealer, or custodian.

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

### 11. a. CODE OF ETHICS

The Code of Ethics is predicated on the principle that B&G owes a fiduciary duty to its clients. Accordingly, B&G's employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients. At all times, B&G must:

- **Place client interests ahead of B&G's** – As a fiduciary, B&G must serve in its clients' best interests. In other words, B&G employees may not benefit at the expense of advisory clients. This concept is particularly relevant when employees are making personal investments in securities traded by advisory clients.
- **Engage in personal investing that is in full compliance with B&G's Code of Ethics** – Employees must review and abide by B&G's Personal Securities Transaction and Insider Trading Policies.
- **Avoid taking advantage of your position** – Employees must not accept investment opportunities, gifts or other gratuities from individuals seeking to conduct business with B&G, or on behalf of an advisory client.

- **Accept no more than reasonable compensation** - B&G believes that fees for its services should be reasonable and appropriate for the level of service provided. Fee structures are available for reference in the B&G ADV 2A.
- **Maintain full compliance with the Federal Securities Laws** – Employees must abide by the standards set forth in Rule 204A-1 under the Advisers Act.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@bahl-gaynor.com](mailto:info@bahl-gaynor.com), or by calling us at 513-287-6100.

#### 11. b. PERSONAL TRADING

Employees of B&G are permitted to buy and sell securities for their personal accounts. To address potential conflicts of interest, our Code of Ethics mandates that employees: (1) pre-clear certain personal securities transactions, (2) report their personal securities transactions on at least a quarterly basis, and (3) provide B&G with a detailed summary of specific holdings at the start of employment and annually thereafter, including those over which they have a direct or indirect beneficial interest.

Potential conflicts may arise when employees trade in the same securities that B&G is buying, selling, or holding on behalf of clients, as this could result in employees receiving a more favorable price than clients trading in the same security.

To mitigate these conflicts, B&G has implemented a personal trading policy. A “restricted list” of securities is maintained to notify employees of securities they are prohibited from trading in their own accounts. Generally, employees must refrain from trading these securities for a specified period, typically one week after B&G has made a similar transaction for client accounts.

To further support our compliance oversight, B&G utilizes Compliance Alpha, a compliance technology platform that automates and enhances the efficiency of our compliance monitoring. Compliance Alpha assists our compliance team in tracking adherence to regulatory and internal standards, providing real-time data insights, and supporting timely risk assessments. This technology is one of the tools we use within our comprehensive compliance framework.

Our compliance staff monitors employee trading activity against the restricted list through quarterly transaction reports. Any policy violations are addressed by the Chief Compliance Officer in accordance with the Code of Ethics.

#### 11. c. TRADING OF BAHL & GAYNOR PROPRIETARY ACCOUNTS

Bahl & Gaynor’s firm accounts aim to invest in Bahl & Gaynor-advised ETFs over time, to build a long-term investment from the firm’s balance sheet. We believe these investments intend to align the interests of the company, employees, and clients.

Bahl & Gaynor may invest in its ETFs over time through trading activity in the market. Bahl & Gaynor will endeavor to make those trades in such a way that minimizes potential market impact. When transacting in the advised ETFs, Bahl & Gaynor may consider various factors including daily volume.

We understand that the volume and timing of Bahl & Gaynor transactions does not reflect the liquidity of the advised ETFs, which is determined by the liquidity of their underlying holdings.

#### 11. d. SERVING AS OFFICER, TRUSTEE AND/OR DIRECTORS OF OUTSIDE ORGANIZATIONS

Employees may, under certain circumstances, be granted permission to serve as directors, trustees or officers of outside organizations. These organizations can include public or private corporations, partnerships, charitable foundations and other not-for-profit institutions. Employees may also receive compensation for such activities.

Service with organizations outside of B&G can, however, raise serious regulatory issues and concerns, including conflicts of interests and access to material non-public information.

As an outside board member or officer, an employee may come into possession of material non-public information about the outside company, or other public companies. It is critical that a proper information barrier be in place between B&G and the outside organization, and that the employee does not communicate such information to other B&G employees in violation of the information barrier.

Similarly, B&G may have a business relationship with the outside organization or may seek a relationship in the future. In those circumstances, the employee must not be involved in the decision to retain or hire B&G.

#### 11. e. RELATED PERSONS AT BROKERS AND CUSTODIANS

Relatives of employees may work for financial entities that B&G does business with. A review of the relationship between the employee and related party and the financial entity that B&G does business with is performed and evaluated for any conflict of interest.

#### 11. f. POLITICAL CONTRIBUTIONS

Rule 203(4)-5 requires any covered associate that makes political contributions to an "official" of a state or local "government entity" client to:

- 1) impose a two-year ban on the adviser receiving compensation for advisory services, 2) prohibit an adviser and its covered associates from coordinating or soliciting any person or political actions committee ("PAC") to make contributions to officials or payments to certain

state or local political parties, 3) prohibit an adviser from paying a third-party solicitor to solicit a government client for the adviser's advisory services unless the third party is a "regulated person," currently defined as a SEC-registered broker-dealer or SEC-registered investment adviser subject to pay to play restrictions, and 4) the rule also applies to an investment adviser that manages assets of a government entity indirectly through a covered investment pool in which a government entity invests or is solicited to invest; such as hedge funds, private equity funds, venture capital funds, and collective trust funds, as well as registered investment companies that are investment options of participant-directed plans or programs of a government entity; such as 529 plans, 403(b) plans and 457 plans.

The portfolio management team of B&G are permitted to make political contributions up to the de minimis of, \$350.00 in contributions per election to a candidate for whom he or she is entitled to vote, and up to \$150.00 per election to a candidate for whom he or she is not entitled to vote. Quarterly B&G officers report any political contributions using the B&G Quarterly Political Contribution form, showing date of contribution, who the contribution was made to, if the contributor is entitled to vote for the candidate and the amount of the contribution. Any contribution over the de minimis amount has to be pre-cleared. B&G will perform two year look back for new officers.

## **Item 12 Brokerage Practices**

### 12. a. BEST EXECUTION

B&G's principal objective in selecting brokers and placing client trades is to receive the best execution for those client trades. Best execution involves a number of factors, including:

- 1) Price received/paid for the security
- 2) Brokerage cost
- 3) Timeliness of the transaction
- 4) Ability to transact smoothly from order placement to settlement
- 5) Record keeping
- 6) Custody services provided

B&G has a Best Execution Committee that meets semi-annually to review brokers. We also engage with an outside provider for quantitative best execution analysis.

Clients that direct brokerage reduce our ability to seek best execution and negotiate commissions. For clients in custody with a broker we have limited ability to negotiate commissions and monitor for best execution. Trading away from a custodian broker will usually result in additional charges to the client.

### 12. b. BLOCK TRADES

Whenever possible we will block clients' trades together to achieve a better transaction price.

Directed broker accounts are not available for blocking and may lose this price and execution advantage. All accounts in the blocks receive the same price for the trade. Partial fills of the block are allocated pro-rata among the accounts.

## 12. c. SOFT DOLLARS

B&G may use non-directed client commission dollars to receive investment related research and services. This practice is referred to as "Soft Dollars"

This research includes, but may not be limited to, written company and industry reports, economic data, historical charts and graphs, visits from company managements and access to industry conferences hosted by brokerage firms. Investment services include security information such as price quotes, dividend information, stock split information, news updates, access to the exchanges, daily, monthly pricing of securities, price charts and graphs and other technical analysis of stocks and bonds.

The use of soft dollars does create a conflict of interest. Only certain trades are used for soft dollars, but all clients may benefit. Though we have negotiated competitive commission rates with all of these brokers, it may result in clients paying a higher commission than they may receive for trade execution only. It may also result in brokers being favored because they provide the soft dollar benefits. Some of these trades are placed directly with the broker providing the research and some are made through third party brokers that then make the payment to the service provider.

## 12.d. TRADE ORDER ROTATION

B&G's fully discretionary non-directed brokerage accounts and B&G directed accounts in a randomized rotation program are within a single trade rotation with all Separately Managed Accounts (SMA) and Unified Managed Accounts (UMA) programs, traded in a snake like order.

Model strategies are also available to clients in some other investment advisory firms through SMA and UMA programs. In this instance B&G does not work directly with the individual client or execute trades. B&G communicates model trades the SMA/UMA platform partners.

The Trade Order Rotation is as follows:

- When a model trade is scheduled, trades are entered using a single trade rotation that includes B&G fully discretionary accounts and all SMA/UMA platform relationships.
- Within the rotation, all groups are traded in snake order (i.e. trade first today, trade last on the next trade).
- All allocations are made by close of business on trade date. In the event an order is "partially filled" the allocation is made on a pro-rata basis. Each account in the order will receive the same percentage of the trade.

The Bahl & Gaynor Income Growth ETF (**BGIG**) and Bahl & Gaynor Small/Mid Cap Income Growth ETF (**SMIG**) trades through an independent trade process determined at the discretion of the Bahl & Gaynor ETF Basket Committee based on various factors including, but not limited to, ETF capital market factors, ETF market liquidity, and other general investment considerations.

#### 12. e. CROSS TRANSACTIONS (AGENCY)

An agency cross trade is a transaction between two clients' accounts managed by the same investment adviser. It is B&G's policy to engage in cross transactions only when necessary. Agencies' cross transactions will only occur when it is in the client's best interest. All agency cross trade must be reported to the firm's CCO. B&G does not receive any additional compensation other than the normal advisory fee for these trades.

B&G does not participate in Principle cross trades.

### Item 13 Review of Accounts

#### 13. a. REVIEWS

The underlying securities used in accounts are continually monitored; the individual accounts are reviewed semi-annually by the portfolio management team. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews are done by the portfolio manager based on the client circumstances.

Clients should always compare their custodian reports to the B&G reports to make sure they are consistent.

#### 13. b. REPORTS

In addition to the monthly or quarterly statements and confirmations of transactions that clients receive from their custodian, B&G will provide monthly, quarterly or annual reports per the client's request. These reports summarize the value of the account, securities held with the market value of each, the estimated annual income, and the cost basis of each holding, if available. This report is available by mail or online based on the client preference. Individual securities have the following information: number of shares, price, total market value, dividend, estimated annual income and cost basis if available. B&G is not responsible for the accuracy of cost information provided by the client.

### Item 14 Client Referrals and Other Compensation

B&G does not receive any economic benefits, including sales awards, referral fees, or other

compensation, from third parties in connection with providing advisory services to clients. Additionally, B&G does not compensate any third parties for client referrals.

## **Item 15 Custody**

B&G does not have actual or constructive custody of client accounts.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that B&G can directly debit advisory fees from client custodial accounts if authorized.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the qualified custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients monthly, quarterly or annually per client request by mail or electronically. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Some clients engage B&G to provide discretionary asset management services, which allows us to place trades in the client's account without obtaining their prior approval for each transaction. Clients grant us discretionary authority by signing a discretionary management agreement with B&G. This authority may be limited if clients provide us with specific written instructions.

For clients with non-discretionary agreements, B&G will obtain the client's approval, either orally or in writing, before executing any recommended investment transactions in their accounts.

## **Item 17 Voting Client Securities**

Proxy voting is an important right of clients, and reasonable care is taken to exercise these rights properly and in a timely manner. When B&G has discretionary authority to vote client proxies, it votes in the best interests of its clients, following its proxy policies and procedures.

B&G does not vote proxies in-house. Instead, we have engaged Broadridge's ProxyEdge platform to facilitate proxy voting and maintain records of all proxy activities. This open-architecture platform allows B&G to select from multiple proxy advisory firms to provide recommendations for proxy voting. B&G has chosen Glass Lewis as our advisory firm, which evaluates issuers based on factors such as the reputation, experience, and competence of the company's management and board of directors.

B&G's complete proxy voting policy and procedures, as well as those of its proxy voting service providers, are maintained in writing and available for client review upon request. Additionally, B&G's proxy voting records are available exclusively to our clients. Clients may contact B&G at the phone number provided in this document if they have questions or wish to review these documents.

In addition to proxy voting, B&G has also engaged Broadridge to manage class action claim filings. Occasionally, securities held in client accounts may be the subject of class action lawsuits. B&G has contracted with Broadridge to review potential claims and manage filings throughout the class action process. Broadridge actively identifies open and eligible class action cases, files Proof of Claim forms, monitors progress, and expedites distribution of settlement proceeds in accordance with SEC guidelines on behalf of our clients.

## **Item 18 Financial Information**

B&G has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. B&G has not been the subject of a bankruptcy petition at any time during the past ten years.