

# ADVISORY

## CONSULTING GROUP, LLC

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## Firm Brochure

This brochure provides information about the qualifications and business practices of Advisory Consulting Group, LLC. If you have any questions about the contents of this brochure, please contact us at (510) 239-4200. 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.

Advisory Consulting Group, LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Advisory Consulting Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Advisory Consulting Group, LLC's CRD number is: 142666

2239 Harbor Bay Parkway  
Alameda, CA 94502  
(510) 239-4200

Version Date: 02-27-2014

## ITEM 2: MATERIAL CHANGES

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Advisory Consulting Group, LLC (“ACG”) has made the following material changes since the previous annual update on March 31, 2013:

- Item 4 has been updated to reflect ACG’s assets under advisement were \$1,505,482,909 as of December 31, 2013.

## ITEM 3: TABLE OF CONTENTS

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Item 2: Material Changes .....	i
Item 3: Table of Contents .....	1
Item 4: Advisory Business .....	3
A. Description of the Advisory Firm .....	3
B. Types of Advisory Services .....	3
Nondiscretionary Investment Advisory Services.....	3
Pension Plan Consulting .....	3
Outsourced Support Services .....	4
Services Limited to Specific Types of Investments.....	4
C. Client Tailored Services and Client Imposed Restrictions.....	4
D. Wrap Fee Programs.....	4
E. Amounts Under Advisement .....	5
Item 5: Fees and Compensation.....	5
A. Fee Schedule.....	5
Nondiscretionary Investment Advisory Services Fees and Pension Plan Consulting Fees .....	5
Outsourced Support Services Fees .....	6
B. Payment of Fees .....	6
C. Clients Are Responsible For Third Party Fees.....	6
D. Prepayment of Fees.....	6
E. Outside Compensation For the Sale of Securities to Clients .....	7
Item 6: Performance-Based Fees and Side-By-Side Management.....	7
Item 7: Types of Clients.....	7
Minimum Account Size.....	7
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss .....	8
A. Methods of Analysis and Investment Strategies .....	8
Methods of Analysis.....	8
Investment Strategies .....	8
B. Material Risks Involved .....	8
Methods of Analysis.....	8
Investment Strategies .....	9
C. Risks of Specific Securities Utilized.....	9

Item 9: Disciplinary Information .....	9
Item 10: Other Financial Industry Activities and Affiliations .....	9
A. Registration as a Broker/Dealer or Broker/Dealer Representative.....	9
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	10
C. Related Persons Relationships and Possible Conflicts of Interests .....	10
D. Selection of Other Advisers and How This Adviser is Compensated for Those Selections.....	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
A. Code of Ethics.....	10
B. Recommendations Involving Material Financial Interests .....	11
C. Investing Personal Money in the Same Securities as Clients.....	11
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	11
Item 12: Brokerage Practices.....	11
Item 13: Reviews of Accounts .....	11
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	11
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	12
C. Content and Frequency of Regular Reports Provided to Clients.....	12
Item 14: Client Referrals and Other Compensation.....	12
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	12
B. Compensation to Non -Advisory Personnel for Client Referrals.....	12
Item 15: Custody .....	12
Item 16: Investment Discretion .....	13
Item 17: Voting Client Securities (Proxy Voting) .....	13
Item 18: Financial Information.....	13
A. Balance Sheet .....	13
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	13
C. Bankruptcy Petitions in Previous Ten Years.....	13
Form ADV Part 2B Supplement.....	14

## ITEM 4: ADVISORY BUSINESS

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### A. DESCRIPTION OF THE ADVISORY FIRM

Founded in November 2006, Advisory Consulting Group, LLC (hereinafter, “ACG”) is an SEC registered investment advisory firm and pension consultant located in Alameda, California. ACG is a multiple-member, privately-held LLC.

### B. TYPES OF ADVISORY SERVICES

ACG provides advisory and consulting services to retirement plan sponsors and their designated committees and outsourced consulting services to other investment firms.

#### NONDISCRETIONARY INVESTMENT ADVISORY SERVICES

While serving as a nondiscretionary fiduciary to our clients, ACG assists clients in preparing an Investment Policy Statement, which outlines the client’s current investment objectives. ACG then constructs and monitors an investment portfolio based upon each client’s specific goals. Quantitative and qualitative measures are used to evaluate the portfolio on an ongoing basis, as well as to evaluate the performance of the portfolio. ACG provides clients with regular reporting and commentary on the fund menu and attends plan committee meetings periodically in-person or telephonically.

#### PENSION PLAN CONSULTING

ACG offers pension plan consulting services customized to the needs of each client. Consulting services include, but are not limited to, the following:

- Investment Committee Governance
- Fiduciary Guidance
- ERISA Compliance
- Investment Strategy
- Asset Selection
- Plan Design
- Vendor Selection and Management
- Fee Analysis and Negotiation
- Employee Communications and Education Consulting

## OUTSOURCED SUPPORT SERVICES

ACG may provide certain outsourced services to other advisory firms as an independent contractor. These services vary by engagement but may include any or all of the following:

- Plan Reporting, including investment monitoring, research and commentary for employer-sponsored retirement plans.
- Mutual Fund Research and Reporting, including research and monitoring of funds available in various employer sponsored retirement plan vendor arrangements.
- Ad-Hoc Services, including additional advisory or consulting services as requested by advisory firm clients.

## SERVICES LIMITED TO SPECIFIC TYPES OF INVESTMENTS

ACG typically limits its investment advice to mutual funds, ETFs, group annuity products or collective trust funds. ACG may advise on other securities if specifically asked to do so by a client.

## **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

ACG generally offers a similar suite of services to all of its clients. However, specific client service arrangements and their implementation are customized depending upon the needs of the client.

Clients and retirement plan vendors chosen by clients may impose restrictions in investing in certain securities or types of securities in accordance with their policies. However, if the restrictions prevent ACG from properly servicing the client account, or if the restrictions would require ACG to deviate from its standard suite of services, ACG reserves the right to end the relationship.

## **D. WRAP FEE PROGRAMS**

ACG does not participate in any wrap fee programs.

## E. AMOUNTS UNDER ADVISEMENT

ACG has the following assets under advisement:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$1,505,482,909	12/31/2013

ACG has no regulatory assets under management as defined by applicable regulations.

## ITEM 5: FEES AND COMPENSATION

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### A. FEE SCHEDULE

The following fee schedules are a general guideline. Fees are negotiated on a client-by-client basis and may vary depending on plan size, services being performed, and other factors. The negotiated fee schedule for each client is included in the client's investment advisory contract.

#### NONDISCRETIONARY INVESTMENT ADVISORY SERVICES FEES AND PENSION PLAN CONSULTING FEES

##### A. Asset Based Fees

Total Assets Under Advisement	Annual Fee
\$1 - \$1,000,000	0.65%
\$1,000,001 - \$5,000,000	0.35%
\$5,000,0001 - \$10,000,000	0.20%
Above \$10,000,000	Custom

ACG assesses a minimum annual fee of \$5,000 for clients on an asset-based fee schedule.

## **B. Fixed Fees**

The minimum annual fixed fee is \$10,000. Additional one-time fees may be charged for ad-hoc services or additional services not covered under the annual fee.

## **C. Hourly Fees**

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services generally ranges between \$75 and \$475. ACG assesses a minimum annual fee of \$5,000 for clients who are on an hourly fee schedule.

### OUTSOURCED SUPPORT SERVICES FEES

ACG assesses a negotiated fee for Outsourced Support Services that is specific to the service needs of the client.

## **B. PAYMENT OF FEES**

Fees are invoiced and billed quarterly and in arrears. Payments are due upon receipt and become delinquent if not paid within thirty (30) days.

Clients may terminate the advisory contract without penalty upon thirty (30) days' notice. Because fees are charged in arrears, no refund is necessary in the event of termination.

## **C. CLIENTS ARE RESPONSIBLE FOR THIRD PARTY FEES**

Clients are responsible for the payment of all third party fees (e.g. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by ACG. Please see Item 12 of this brochure regarding brokerage.

## **D. PREPAYMENT OF FEES**

ACG collects its fees in arrears. It does not collect fees in advance.



## **E. OUTSIDE COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS**

Neither ACG nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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ACG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **ITEM 7: TYPES OF CLIENTS**

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ACG generally provides investment advice and/or consulting services to the following types of clients:

- ❖ Defined Contribution and Defined Benefit Plans
- ❖ Defined Contribution and Defined Benefit Plan Sponsors
- ❖ Non-Qualified Deferred Compensation Plan Sponsors

ACG provides outsourced support services to other investment advisers.

### MINIMUM ACCOUNT SIZE

There is no account minimum.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF INVESTMENT LOSS

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### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

#### METHODS OF ANALYSIS

ACG's methods of analysis include fundamental analysis, and the generally accepted theories of asset allocation and modern portfolio theory to assist clients with the construction of retirement plan fund menus and asset allocation models.

#### INVESTMENT STRATEGIES

Most of ACG's services will be oriented around constructing menus of mutual funds or other securities for short-, medium- and long-term investment strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. MATERIAL RISKS INVOLVED

#### METHODS OF ANALYSIS

*Fundamental analysis* concentrates on historical qualitative and quantitative factors that determine the attractiveness of a particular investment. This strategy does not attempt to predict future returns, but rather to identify investment alternatives that have quality track records and management with the goal of providing retirement plan clients with a high-quality, diversified fund menu for use by plan participants.

ACG will use generally accepted theories of asset allocation and modern portfolio theory to assist clients with the construction of retirement plan fund menus and asset allocation models. Most of ACG's services will be oriented around constructing menus of mutual funds for use in participant-directed retirement plans.

## INVESTMENT STRATEGIES

Short-, medium- and long-term investing is designed to provide access to asset classes that feature different levels of both return and risk. In most cases, plan participants are ultimately responsible for developing and implementing their specific investment strategies within the retirement plan.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. RISKS OF SPECIFIC SECURITIES UTILIZED**

ACG generally suggests investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity or fixed income markets.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **ITEM 9: DISCIPLINARY INFORMATION**

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Neither ACG nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

## **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISOR**

Neither ACG nor its representatives are registered as a FCM, CPO, or CTA.

## **C. RELATED PERSONS RELATIONSHIPS AND POSSIBLE CONFLICTS OF INTERESTS**

ACG is committed to always acting in its clients' best interest. ACG has adopted policies and procedures designed to ensure that it is always acting in the best interests of a client and to mitigate such conflicts of interest. Neither ACG nor its members have any related business relationships that could constitute a possible conflict of interest.

## **D. SELECTION OF OTHER ADVISERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS**

ACG does not solicit or receive compensation in exchange for the selection of investment managers or other advisors for clients or clients' plans.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### **A. CODE OF ETHICS**

ACG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

## **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

ACG does not recommend that clients buy or sell any security in which a related person to ACG has a material financial interest.

## **C. INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS**

From time to time, representatives of ACG may buy or sell securities for themselves that they also recommend to the line-up of retirement plan clients; however, ACG does not execute trades for clients and has no trading discretion on client accounts.

## **D. TRADING SECURITIES AT/ AROUND THE SAME TIME AS CLIENTS' SECURITIES**

From time to time, representatives of ACG may buy or sell securities for themselves at or around the same time as clients. ACG does not execute trades for clients and has no trading discretion on client accounts. ACG will always act in the best interest of the client.

## **ITEM 12: BROKERAGE PRACTICES**

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ACG does not select nor recommend broker-dealers for client transactions. Clients, or Clients' selected custodian, are solely responsible for the execution of transactions.

## **ITEM 13: REVIEWS OF ACCOUNTS**

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### **A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS**

Client accounts are reviewed on at least an annual basis by a senior member of the ACG team. Many client accounts are reviewed more frequently (e.g., quarterly, semi-annually, etc.) depending upon the needs of the client.

## **B. FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS**

Reviews may be triggered by material market, investment option, regulatory, economic or political events, or by changes in client's situation or stated goals.

## **C. CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS**

Clients may receive detailed periodic reporting from the custodians that they have selected. In addition, ACG provides client reporting on at least an annual basis.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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### **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

ACG does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ACG clients.

### **B. COMPENSATION TO NON –ADVISORY PERSONNEL FOR CLIENT REFERRALS**

ACG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **ITEM 15: CUSTODY**

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Clients are responsible for selecting their plan's qualified custodian (the "Custodian"). ACG does not take direct custody of client accounts at any time.

Clients will receive account statements from the Custodian and should carefully review those statements.

## ITEM 16: INVESTMENT DISCRETION

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ACG does not accept discretionary authority to manage securities accounts on behalf of clients.

## ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)

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ACG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the Custodian. Clients should direct all proxy questions to the issuer of the security.

## ITEM 18: FINANCIAL INFORMATION

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### **A. BALANCE SHEET**

ACG does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither ACG nor its management have any financial conditions that is likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

ACG has not been the subject of a bankruptcy petition in the last ten years.

# ADVISORY

## CONSULTING GROUP, LLC

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### FORM ADV PART 2B SUPPLEMENT

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This brochure supplement provides information about supervised persons listed below that supplements the Advisory Consulting Group, LLC (“ACG”) firm brochure. You should have received a copy of that brochure. Please contact Robert Stebbins if you did not receive ACG’s brochure or if you have any questions about the contents of this supplement.

Additional information about ACG’s supervised persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Robert Stebbins**  
**Michael Walker**

2239 Harbor Bay Parkway  
Alameda, CA 94502  
(510) 239-4200

Updated: 07-23-2013



## Form ADV Part 2B: Brochure Supplement Items 2-6

Robert Stebbins, Principal (born 1969)							
<b>Item 2: Educational Background and Business Experience</b>	<p><u>Education</u> BS History &amp; Diplomacy, Georgetown University – 1993</p> <p><u>Business Experience</u></p> <table> <tr> <td>2006-Present</td><td>Advisory Consulting Group, LLC Principal</td></tr> <tr> <td>2010-2013</td><td>Verisight, Inc. Senior Vice President</td></tr> <tr> <td>1993-2010</td><td>Pension Specialists, Inc. Vice President</td></tr> </table>	2006-Present	Advisory Consulting Group, LLC Principal	2010-2013	Verisight, Inc. Senior Vice President	1993-2010	Pension Specialists, Inc. Vice President
2006-Present	Advisory Consulting Group, LLC Principal						
2010-2013	Verisight, Inc. Senior Vice President						
1993-2010	Pension Specialists, Inc. Vice President						
<b>Item 3: Disciplinary Information</b>	None						
<b>Item 4: Other Business Activities</b>	<p>Mr. Stebbins spends the majority of his time working in either a managerial role for ACG or in providing direct consulting with plan sponsor clients. This consulting includes, but is not limited to, plan design consulting, investment advice, mergers and acquisitions analysis, and employee communication. In the course of providing such services, Mr. Stebbins does not receive commissions.</p> <p>ACG always acts in the best interest of the client.</p>						
<b>Item 5: Additional Compensation</b>	Other than compensation for services to ACG clients, Mr. Stebbins does not receive any economic benefit from any person, company, or organization in exchange for providing clients advisory services through ACG.						
<b>Item 6: Supervision</b>	Mr. Stebbins and Michael Walker are responsible for supervision of the firm. Their contact information is listed on the cover page of this Supplement.						

**Michael Walker, Principal (born 1958)**

<b>Item 2: Educational Background and Business Experience</b>	<p><u>Education</u> BA Mathematics, University of Washington – 1985</p> <p><u>Business Experience</u></p> <p>2006-Present     Advisory Consulting Group, LLC Principal</p> <p>2010-2012       Verisight, Inc. Executive Vice President</p> <p>1985-2010       Pension Specialists, Inc. President</p>
<b>Item 3: Disciplinary Information</b>	<p>None</p>
<b>Item 4: Other Business Activities</b>	<p>Mr. Walker spends the majority of his time working in either a managerial role for ACG or in providing direct advisory and consulting with plan sponsor clients. This consulting includes, but is not limited to, plan design consulting, investment advice, mergers and acquisitions analysis, and employee communication. In the course of providing such services, Mr. Walker does not receive commissions.</p> <p>ACG always acts in the best interest of the client</p>
<b>Item 5: Additional Compensation</b>	<p>Other than compensation for services to ACG clients, Mr. Walker does not receive any economic benefit from any person, company, or organization in exchange for providing clients advisory services through ACG.</p>
<b>Item 6: Supervision</b>	<p>Mr. Stebbins and Mr. Walker are responsible for supervision of the firm. Their contact information is listed on the cover page of this Supplement.</p>

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