



**Personal Investment  
Management, Inc.**

March 2015

## Firm Brochure

(Part 2A of Form ADV)

Item 1: Cover Page

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**Notice: This brochure has not been approved by the U.S. Securities and Exchange Commission (SEC) or any state securities authority. Registration with the SEC does not imply a certain level of skill or training.**

**Additional Information about PIM may be found on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **Material Changes (Item 2)**

Since our last update to this brochure in March 2014, the following changes have occurred:

### **Section II (Item 5) re Fees and Compensation**

We have modified Section II (Item 5) of this brochure, on pages 6, 7 and 8. PIM has 2 separate and distinct fee schedules. Previously, one fee schedule applied to “Individual and Trust Portfolios.” The other applied to “Employer-Sponsored Retirement Plans and Accounts.” The fee schedules and rates have not changed. However, the applicability of each of these 2 fees schedules is now based exclusively upon the type of account(s) and where the account(s) is/are held in custody. The fee schedule that previously applied to “Individual and Trust Portfolios,” now applies to “Retirement and Non-retirement accounts held at Charles Schwab and Co.” The fee schedule that previously applied to “Employer-Sponsored Retirement Plans and Accounts,” now applies to “Employer-Sponsored Retirement Plan and/or IRA Accounts Held at Fidelity Investments and/or TIAA-CREF.”

See Section II (Item 5) on pages 6 & 7 for a detailed description, including disclosure of a related potential conflict of interest on page 6.

### **Maximum Fee Rate**

Effective January 1, 2015, PIM has implemented a maximum fee rate. Specifically, the maximum fee rate that any client will pay on the aggregate value of all assets and accounts under management, is 1% annually. This is regardless of the type(s) of account(s) or where the account(s) is/are held in custody. The only exception is for those clients who were previously, and who will continue to be subject to our minimum fee of \$250 per quarter, or \$1,000 annually. The result of this change is that some clients will pay a lower fee rate. No clients will pay a higher fee rate. Aside from this new maximum fee rate and modification of the applicability of our minimum fee (see “Minimum Fee” below), our published fee schedules and rates are otherwise unchanged. The method for calculating each client’s fee has not changed. All fees will continue to be determined and calculated based upon the fee schedules as noted in Section II (Item 5), on page 7.

### **Minimum Fee**

Effective January 1, 2015, the minimum fee of \$1,000 annually, applies to the entire client household, regardless of the type(s) or number of account(s), or where the account(s) is/are held in custody. Prior to this change, if clients had both retirement and/or non-retirement accounts at Charles Schwab, as well as retirement account(s) at Fidelity Investments and/or TIAA-CREF, they were subject to a minimum fee of \$1,000 annually on each. Please see Section II (Item 5) on page 7 for additional information.

### **Review of Accounts**

Client’s investment portfolios are no longer reviewed by Dennis Vogt or John Voigt. The Head of Portfolio Administration reviews portfolios to determine the extent to which they adhere to their designated asset allocation. If trades are required to reallocate a client’s account, the Portfolio Administrator prepares and submits them to the custodian of the client’s account. Trade orders are no longer approved by Ron Moskat, Chris Reedy or Dennis Vogt, prior to submission or execution. Please see Section X (Item 13) on page 12 & 13 for additional information.

No other material changes to our policies, practices, procedures, personnel, fees, actual or potential conflicts of interest, have occurred since the previous release (March 2014) of this Firm Brochure.

**Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of this Firm Brochure.

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## **I. Advisory Business (Item 4)**

### **Investment Advisory Services**

The principal business of Personal Investment Management, Inc. (hereafter “PIM”) is providing professional investment management and financial consulting services to individuals, families and their related entities, trusts, estates and family businesses. For its clients, PIM develops and manages customized portfolios consisting primarily of stock (equity) and bond (fixed income) mutual funds, exchange-traded funds (ETF’s) and cash equivalents. From time to time, PIM may also work with providers such as Barclays Bank, PLLC, who develop customized alternative investment products for inclusion in clients’ portfolios. PIM may also engage other advisers (sub-advisers) to actively manage a portion of a client’s total portfolio. This may be done if it is determined by PIM, that a particular investment manager or strategy that is deemed appropriate for clients, is not otherwise available in a mutual fund, ETF, or other easily accessible format.

In addition, PIM also develops and manages portfolios for individual participant accounts of employer-sponsored retirement plans, based upon the investment options available in each plan.

A separate account is established and assets under management are held at an independent qualified custodian, in the client’s name. Independent custodians include Charles Schwab & Co., TIAA-CREF, Fidelity Investments, or others. PIM is neither affiliated with, nor receives any commissions or compensation from any of the independent custodians. PIM receives no “soft dollar” benefits from any independent custodians or brokers, based upon client securities transactions.

Each portfolio is constructed and managed, based upon the client’s personal investment objective, which is established by having each client complete the “Investment Objective Worksheet”. This worksheet enables the client to demonstrate their tolerance for investment risk and to indicate their investment time horizon. The clients’ investment objective may be changed by the client at any time, by submitting a signed “Investment Objective Change Order” form. Clients are advised that it remains their responsibility to notify PIM promptly when a change in their personal financial situation occurs that would materially impact the manner in which their portfolio is to be managed.

As-of December 31, 2014, PIM was serving a total of 474 client households. The total amount of client assets under management by PIM as-of that date is \$378,522,378.

### **Financial and Retirement Planning Services**

Financial and retirement planning services are also offered by PIM. These services and their associated fee schedules (see Section II “Fees and Compensation” for specific details) are otherwise separate and distinct from PIM’s investment management and supervisory services. Neither is a condition for the other.

Financial planning services generally include an analysis of and providing information related to the following: identification of financial problems; cash flow and budget management; tax planning; risk exposure review; education funding; retirement planning; estate planning; special needs planning or other issues specific to the client. A written evaluation of the client’s situation may be provided and would include specific action and implementation recommendations.

Retirement planning services involve a more limited analysis of a client’s financial and investment situation for retirement, based upon information provided by the client. A cash flow analysis including

action recommendations may be generated for the client, depending upon the complexity of the situation.

### **Other Adviser**

PIM provides back-office administrative services to another adviser (the “other adviser”) and receives compensation from the other adviser for the services provided. These services consist primarily of client billing and may also include portfolio performance monitoring and reporting. PIM’s clients and the other adviser’s clients do not overlap for any advisory services.

Appropriate systems and procedures are in place for preventing overlap and maintaining confidentiality and are reviewed periodically. PIM may also provide insurance services for non-variable products, to clients of the other adviser, upon request.

## **II. Fees and Compensation (Item 5)**

### **Fees for Investment Advisory Services**

PIM is compensated by investment advisory fees that are paid by clients. Fees are based upon the aggregate household market value of all assets under management by PIM. PIM has two separate and exclusive investment advisory fee schedules (noted on next page). One schedule applies to both retirement and non-retirement accounts that are held in custody at Charles Schwab and Co. The other schedule applies to participant accounts of employer-sponsored retirement plans that are held in custody at Fidelity Investments, as well as to retirement accounts, including IRA’s, that are held in custody at TIAA-CREF. The difference in fee schedules is based primarily upon the fact that the menu of investment options available in participant accounts of employer-sponsored retirement plans held at Fidelity Investments, as well as in retirement plan accounts and IRA’s at TIAA-CREF, is limited and generally consists solely of those investment options or funds that the client’s employer (the plan sponsor) and the employers’ retirement plan provider, offer to plan participants or customers. The amount of time required to research, analyze, select and monitor the more limited number of investments in such plans and accounts, is generally less than would be required if the number of investment options available were significantly greater or unlimited.

If a client has both retirement and/or non-retirement account(s) at Charles Schwab, as well as retirement plan or IRA account(s) at Fidelity Investments or TIAA-CREF under management, each respective type of account is subject to each separate fee schedule, as noted below. In such a situation, the total fee paid by the client would be the sum of the applicable fee for all aggregate household retirement and non-retirement accounts held at Charles Schwab, plus the applicable fee for all aggregate household retirement accounts held at Fidelity Investments and/or TIAA-CREF (see “Minimum Fee” and “Maximum Fee” on page 7).

A client’s fee is calculated annually and stays the same for the entire calendar year instead of changing each calendar quarter as the value of their accounts changes. However, if a lump sum greater than 10% of the total portfolio value is deposited or withdrawn, the client’s fee is recalculated and the next quarterly fee due would then be based upon the adjusted aggregate household market value. The annual fee is based upon the total market value of all managed accounts on September 30 of the preceding year. For new clients, the applicable fee is based upon the aggregate beginning value of their managed assets.

A potential conflict of interest exists between the client and PIM insofar as PIM may be incented to recommend to clients when they retire or separate from their current employer, that they rollover or transfer their workplace retirement plan or IRA account balance that is being managed at a lower fee rate at

Fidelity Investments or TIAA-CREF, to an IRA account at Charles Schwab—at a higher fee rate. As a fiduciary, PIM and its employees have a duty to always place the client's interests ahead of our own. As such, we would only recommend such a rollover or transfer based upon our belief that investing in an 'open architecture' environment, where the number of investment choices is substantially greater or unlimited—vs. in a significantly more limited or 'closed' system of proprietary investment vehicles, is in the clients' best interest.

Fees are negotiable. We reserve the right to discount or waive certain fees in our sole discretion, based upon the relationship with the client.

If a client terminates their agreement with PIM, any unearned fees that have been paid in advance will be refunded on a pro-rata basis, based upon the termination date. If fees have been deducted directly from the client's managed account at a qualified custodian, PIM will disburse the fee refund directly to the qualified custodian, for deposit to the client's account. If the client has paid fees by check or via ACH electronic transfer from their checking account, PIM will remit a fee refund check via US Mail, directly to the client. All such refunds will be processed within 30 days of the termination date.

The Fee Schedules for Investment Advisory Services are as Follows:

**Retirement and Non-Retirement Accounts Held at Charles Schwab & Co.**

<b><u>Portfolio Value</u></b>	<b><u>Annual Rate*</u></b>
Up to \$250,000	1.50%
Next \$250,000	1.20%
Next \$500,000	0.85%
Balance of Assets	0.55%

**Employer-Sponsored Retirement Plan and/or IRA Accounts Held at Fidelity Investments or TIAA-CREF\*\***

<b><u>Portfolio Value</u></b>	<b><u>Annual Rate*</u></b>
Up to \$1,000,000	0.50%
Balance of Assets	0.25%

\*See "Minimum Fee" and "Maximum Fee" sections below for additional details regarding exceptions. Fee is calculated on an annual basis. One-fourth is paid at the beginning of each calendar quarter, in advance.

\*\*For Employer-sponsored Retirement Plan and/or IRA Accounts held at Fidelity Investments or TIAA-CREF, the fee schedule noted above became effective on November 1, 2011. Existing clients prior to November 1, 2011 are generally 'grandfathered' at the rates that were in effect prior to November 1, 2011. As such, all clients do not pay the same fee rate. This creates a potential conflict of interest between the client and PIM, in the form of an incentive for PIM to retain those clients acquired after November 1, 2011 and who are paying a higher rate.

**Minimum Fee**

The overriding minimum fee for a client household, regardless of the type(s) of account(s) or where they are held in custody, is \$1,000 annually. Client portfolios are regularly monitored to ensure that the minimum fee continues to be reasonable and not excessive on a percentage basis relative to the value of the managed account(s). If the total value of assets under management falls below \$50,000, we may recommend that active management be discontinued in order to avoid the disproportionately high

percentage fee rate associated with the \$1,000 minimum annual fee.

### **Maximum Fee**

With the exception of the minimum annual fee of \$1,000 previously noted, the maximum fee rate that any client will pay is 1% of the value of assets under management annually, regardless of the type(s) of account(s), or where they are held.

If a client has retirement and/or non-retirement accounts at Charles Schwab & Co. only and the corresponding fee (based upon the schedule above) would be greater than 1% annually, then the client's fee will be discounted to a rate of 1% annually.

If a client has both account(s) at Charles Schwab AND retirement account(s) at Fidelity Investments and/or TIAA-CREF, the fee for each will be calculated separately, based upon the schedules above. If, when combined, the result is a total fee rate greater than 1% annually on the combined total assets, then the fee rate will be discounted to 1% annually.

### **Fees for Financial and Retirement Planning Services**

	<u>Single</u>	<u>Couple</u>
Financial Plan	\$3,000	\$4,000
More than 10% owner in a full-time business	Additional fee will be quoted based upon complexity of situation	
Retirement Plan	\$800	\$800
Hourly Planning or Advisory Work	\$200 per hour - 2 hour minimum	

The above fees are for first-time planning clients. Renewal planning clients would pay 75% of the then-current applicable fee, provided that the renewal occurs within 36 months of the initial plan's contract date. Fees for planning services may be discounted or waived for current clients who have been PIM investment advisory clients for at least one year, based upon the overall relationship with the specific client.

### **How Fees Are Paid to PIM**

PIM sends to all investment advisory clients at the beginning of each calendar year, a billing statement that summarizes the market value of all household assets under management as-of September 30 of the prior year, and the corresponding fee. Where possible, PIM prefers to deduct its advisory fee directly from one or more of the clients' managed accounts held at a third-party qualified custodian. This is established by the client providing written authorization to the independent qualified custodian, to disburse funds to PIM upon submission of a fee billing notice or request by PIM. If the custodian (or institution/employer, if an employer-sponsored retirement plan) does not permit such authorization for deduction of fees from the account or if the client prefers to pay fees with funds outside the managed account, PIM will mail a billing notice to the client quarterly and the client may remit payment either by check or by granting PIM written authorization to automatically deduct the fee directly from the client's checking account at an independent, qualified custodian bank, via ACH (Automated Clearing House) electronic funds transfer. Authorization for such automatic fee deduction from the client's checking account is granted by the client completing and submitting PIM's "Direct Fee Billing Authorization Form". Once such authorization is provided by the client, fees will be deducted on a recurring, quarterly



basis. In some cases, the qualified custodian and/or employer plan sponsor, will allow only a limited amount or portion of the fee that is due to be deducted directly from the managed account, not the entire amount. In such cases, PIM will generally deduct the amount that is permitted directly from the client's managed account and will invoice the client directly for the remaining amount due. The client may then either remit a check for the balance due, or else authorize PIM to deduct the amount due directly from their bank checking account, via ACH electronic funds transfer, as previously noted.

Fees for financial and retirement planning services are invoiced separately and payment should be made by check.

### **Other Fees**

In addition to PIM's fee, clients may also be subject to fees imposed by the independent qualified custodian where their account is held, for services that are provided by the qualified custodian. The independent custodian will provide a complete and full disclosure of any and all such fees, upon request. Such fees may apply to execution of securities transactions and/or other services provided. Examples of other "service" fees are those relating to custody of the clients' assets, settlement of securities transactions, and fees for services such as wiring funds from a client's account.

Clients may also be subject to fees that are imposed by "Investment Companies", more commonly known as mutual funds, or ETF's (Exchange Traded Funds), whose shares PIM may purchase on their behalf. The funds' internal administrative and management fees and expenses are internally charged to the fund and thereby, to all shareholders. All such fees and expenses are publicly disclosed to all fund shareholders in the fund's prospectus. The prospectus is generally sent directly to the client by the account custodian at the time of purchase and periodically thereafter, as they are updated by the fund.

### **Insurance**

PIM may offer non-variable insurance products to clients, such as life insurance, long-term care insurance or fixed annuity products. If a client chooses to purchase such an insurance product or policy, PIM and/or its employees or principals may receive commission compensation from the issuing insurance company.

## **III. Performance-Based Fees and Side-by Side Management (Item 6)**

PIM does not charge any performance-based fees or share in any client's capital gains. No supervised person of PIM manages any accounts who pay such fees. The prior section (II) includes all information pertaining to fees and PIM's compensation.

## **IV. Types of Clients (Item 7)**

PIM provides investment advice exclusively to individuals and families and their related entities, trusts, estates and family businesses. PIM does not have a minimum account size, but does have a minimum annual fee as noted in section II.

## **V. Methods of Analysis, Investment Strategies and Risk of Loss (Item 8)**

PIM employs both Fundamental and Technical Analysis to identify appropriate or prospective securities

to include in client portfolios. This involves examining both specific, as well as broad-based economic and market factors and trends such as inflation and interest rates, when making investment and portfolio selection decisions. Sources of information for conducting such analysis and research consist typically of: financial newspapers, magazines and internet websites; corporate rating services and press releases, research materials provided by other financial professionals and institutions such as broker-dealers and investment companies. PIM does not normally research or include individual equity (stocks) or fixed income (bond) securities when developing and constructing client portfolios. Instead, PIM normally researches and selects mutual funds and ETF's (Exchange Traded Funds), whose shares represent an investment in a pool of individual equity and/or fixed income and/or other securities. Depending upon the client's tolerance for investment risk and their investment time horizon, PIM may employ long-term investment strategies, where securities are typically held for at least one year, or short-term strategies, typically when a client's investment time horizon is less than one year. Changes to client portfolios and the percentage of portfolio assets allocated to each asset class (stocks, bonds, cash) are made based upon changes in a client's personal financial situation and/or investment objective, including tolerance for risk, or upon changes in general market and economic conditions.

Upon request, a margin feature may be established with, or added to a client's investment/brokerage account, subject to the broker/dealer custodian's guidelines, procedures and policies. The margin feature allows the client to pledge certain securities in their account as collateral, against which the client may borrow if he/she so chooses. PIM does not normally encourage or require the use of a margin feature in any investment strategy. If a client chooses to establish and/or employ a margin feature on their investment/brokerage account, PIM may offer assistance with the administrative aspect of doing so.

### **Risk of Loss**

Investing in securities involves risk, including the risk of loss of principal. PIM attempts, in the initial phase of the relationship, to identify and understand a client's investment objective and tolerance for risk. Clients are also encouraged to inform PIM immediately in the event that their personal or financial situation changes. PIM strives to manage clients' portfolios in a manner that is consistent with the client's stated investment objective, time horizon and risk tolerance. Nevertheless, the client bears all of the risks associated with investing in securities, including the risk of loss of principal.

## **VI. Disciplinary Information (Item 9)**

Neither PIM nor any of its management personnel, affiliated employees or individuals, have been involved in any legal or disciplinary matters related to either past or present activities.

## **VII. Other Financial Industry Activities and Affiliations (Item 10)**

As noted in section II, on page 9 under "Insurance", PIM offers insurance services to clients. Certain products (insurance and annuities) may be recommended by PIM or its representative as part of action items of a financial plan, retirement plan or other planning or consulting engagement. Also, PIM may determine that a person originally considering investment management or supervisory services, may be better served by an insurance or annuity product.

The company issuing the insurance or annuity policy pays a commission to PIM. PIM is not licensed to sell and generally does not recommend variable annuity products and receives no commission compensation if a client chooses to purchase a variable annuity product. Selecting annuities and insurance for clients requires PIM to use time that may otherwise be devoted to investment management

and supervisory services and thereby may be a conflict of interest. PIM has access to several insurance companies for life, health and long-term care insurance products and annuities. PIM also has an agent contract for long-term care insurance only, with John Hancock.

## **VIII. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading (Item 11)**

### **Code of Ethics**

PIM has established a Code of Ethics which sets forth standards of conduct that its employees and adviser representatives are required to adhere to. The overlaying principle and basis for the standards is that PIM seeks to foster a reputation for integrity, honesty and professionalism, all of which stem from our fiduciary duty to our clients and always placing the client's interests ahead of our own. The Code of Ethics includes standards designed to ensure compliance with all applicable regulations and securities laws, including those pertaining to Insider Trading. PIM believes that the requirement of ethical conduct by its employees and representatives is an absolute and is expected in all circumstances. A full copy of the Code of Ethics is available upon request.

### **Participation or Interest in Client Transactions and Personal Trading**

PIM, its officers, affiliates or employees may at times buy, sell or trade in securities that at the same time are held by clients or are being bought, sold or traded in clients' portfolios. Employees are at all times required to comply with PIM's policies and procedures which disallow them from trading their own securities ahead of a client's.

Employees are required to provide to the firm's Chief Compliance Officer, or his/her designee, either monthly or quarterly copies of their personal investment brokerage account statements, or else a written summary of all personal securities transactions and holdings, at least annually. The Chief Compliance Officer performs periodic reviews of all employee personal securities trades. These reviews are designed to verify that the personal trading of employees was not based upon insider information and that PIM's clients receive preferential treatment. The trades made by employees of PIM are generally not of sufficient size or volume to have a material affect on securities markets.

PIM does not recommend to clients, or buy or sell for client accounts, any securities in which PIM or a related person has a material financial interest.

## **IX. Brokerage Practices (Item 12)**

PIM has no affiliation with any custodian or securities brokerage firm and receives neither any compensation, nor referrals from any such firm. Specific custodian and securities broker recommendations are made to clients based upon their need for such services. PIM recommends such firms based exclusively upon the custodian/broker's proven integrity and financial responsibility, best execution of transactions at reasonable commission rates and the quality of service provided.

PIM has relationships with and recommends firms such as Charles Schwab and Co., TIAA-CREF and Fidelity Investments. PIM may benefit from some of the services provided by these custodians/brokers such as electronic delivery of client account statements and trade confirmations and electronic trading platforms. In addition, PIM may benefit from other services provided by custodians/brokers such as investment research, continuing education and practice management advice. Such benefits are standard

in the industry for relationships with these custodians/brokers and are not in return for, or based upon an obligation or the expectation of PIM directing client accounts or securities transactions to them. PIM reviews the execution of trades, as well as the transaction fees and commissions charged at multiple custodian/brokers periodically to ensure that clients are receiving competitive service and pricing.

### **Soft Dollars**

PIM does not receive any soft dollar benefits from any custodian or broker in connection with client securities transactions.

### **Directed Brokerage**

PIM does not require clients to place their account(s) or execute their securities transactions with a specific custodian or broker. The client is free to choose the custodian/broker of their choice. However, as previously noted, PIM does routinely recommend specific custodians/brokers that it has established relationships with, to clients. In the event that a client chooses a custodian/broker other than one that is recommended, PIM may be unable to obtain favorable execution of the client's transactions. In addition, the custodian/broker that the client has chosen may not be as cost effective as one that is recommended by PIM.

### **Trade Aggregation**

When PIM is trading the same ETF (exchange-traded fund) security on the same day for multiple client portfolios, PIM generally will attempt to combine or aggregate orders into one or more 'block' orders, rather than placing separate orders for each client. Doing so allows all clients participating in the 'block' trade to receive the same execution price. If a block order is not executed entirely at one price, PIM instructs the broker to average the price so that all clients participating in the 'block' trade receive the same execution price. If PIM is both buying and selling the same security on the same day for different clients, PIM generally places the smaller 'block' order first, in an effort to minimize potential market impact on the price of the security being traded. PIM believes that this practice provides an element of fairness for all clients. If orders were not aggregated in this manner, PIM would have to choose the sequence in which clients' trades are placed. This would most likely result in some clients' trades being executed at more favorable prices than others. Not all securities being traded are subject to a commission charge by the broker executing the trade. If the particular security being traded is subject to a commission charge by the broker, the client would pay the same commission rate when their order is aggregated with those of other clients, as they would pay if their trade order was placed by itself. Some brokers also offer lower commission rates for trades placed electronically versus those that are placed with a representative over the telephone. Accordingly, PIM attempts to place most trades electronically, so long as doing so does not result in less favorable execution or pricing.

## **X. Review of Accounts (Item 13)**

### **Review of Investment Portfolios**

Investment accounts are reviewed by the Head of Portfolio Administration as frequently as deemed necessary, but not less often than quarterly. In addition, the client's advisor may also review a client's portfolio, in preparation for a meeting with the client, or otherwise. Account reviews may occur more frequently when market conditions dictate or when a client's investment objective changes. A review may also be triggered by client request, a change in market conditions, new information about an

investment, changes in tax laws, or other important changes.

When a client initially establishes their relationship with PIM, an assessment of their risk tolerance, time horizon and investment goals is performed. This assessment results in the designation of an overall investment objective for the client's portfolio. Each designated investment objective (Aggressive, Growth, Moderate, Conservative) has a 'target' asset allocation range associated with it, with a corresponding minimum and maximum percentage of the portfolio to be invested in various stocks, bonds and cash. As the value of the holdings in a client's portfolio changes over time, the portfolio may become 'overweight' or 'underweight' a particular security or asset class. The purpose of the periodic portfolio reviews is to make a comparison of the percentage of each client's portfolio that is currently invested in each security and asset class, with the prescribed target percentage range that is associated with their designated Investment Objective.

If required, trade orders to reallocate the client's portfolio are prepared and reviewed by the Head of Portfolio Administration and then submitted to the custodian of the client's account for execution.

### **Review of Financial and Retirement Plans**

Financial and Retirement plans are reviewed upon client request or as necessary and appropriate in conjunction with periodic client meetings. Financial Plan reviews are prepared by Chris Reedy, CFP, President and presented to the client by either Chris Reedy or the client's designated representative. Retirement Plan reviews are prepared by Chris Reedy or the client's designated representative and are presented to the client by their designated representative.

## **XI. Client Referrals and Other Compensation (Item 14)**

### **Incoming Referrals**

Personal Investment Management, Inc. has been fortunate to receive many client referrals over the years from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay any employees or outside, unaffiliated individuals or organizations for client referrals.

### **Referrals to Other Professionals**

Personal Investment Management, Inc. may on occasion refer a client or prospective client to other independent professionals, including legal or tax professionals. In such instances, Personal Investment Management, Inc. does not receive or accept any referral fees, or any other form of remuneration from the other professionals.

## **XII. Custody (Item 15)**

### **Account Statements**

All client assets are held at independent qualified custodians who provide account statements directly to the client, at least quarterly. Some custodians, including Charles Schwab & Co., TIAA-CREF and Fidelity Investments, offer electronic delivery of and online access to account statements, in lieu of delivery via U.S. Mail. The choice of whether to receive account statements, trade confirmations and/or other documents electronically or via U.S. Mail is made exclusively by the client. Clients are urged to carefully review the statements that are provided by the qualified custodian.

**Statements Provided by Personal Investment Management, Inc.**

In addition to the account statements that are provided by the independent qualified custodian(s), clients are also provided with reports by PIM, quarterly. These reports are generated from our portfolio accounting system and summarize the change in account value, as well as investment return or performance, 'year-to-date'. Clients are also urged to compare the statements that they receive from PIM, with those that they receive from the independent qualified custodians. Such a comparison will allow clients to determine whether account transactions, including deductions to pay advisory fees, are proper.

**XIII. Investment Discretion (Item 16)**

PIM's Investment Advisory Agreement stipulates that the client grants discretionary trading authority to PIM. This authority allows us to determine, without first obtaining specific client consent, which securities, as well as the amount of securities to be bought or sold for a client's account, at any time. In order to implement this discretionary trading authorization, the client would sign the custodian's Limited Power of Attorney, or Limited Trading Authorization form. This document authorizes PIM to execute transactions in the client's account, on their behalf.

**XIV. Voting Client Securities (Item 17)**

Personal Investment Management, Inc. does not accept responsibility for voting proxies for securities in a managed account. The responsibility for voting all proxies rests solely with the client. Proxies are sent by the custodian of the client's account, directly to the client. If a client has a question related to a proxy or how to vote their shares, PIM will attempt to provide additional information to assist them. PIM's overriding philosophy as regards voting proxies, is to do so in such a way as to maximize shareholder value. In the event that PIM engages on a client's behalf, a third-party investment adviser (sub-adviser) to manage a portion of a client's total portfolio in a separate account, the third-party adviser will normally accept authority to vote the securities in that account.

**XV. Financial Information (Item 18)**

Personal Investment Management, Inc. does not have any financial impairment that would preclude the firm from meeting contractual commitments to clients, including reimbursement of any unearned advisory fees. A balance sheet is not required to be provided because PIM does not serve as a custodian of client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.