

## JOEL F. PLASTRIDGE

### Investment Advisory Services Brochure

#### **Advisory Business**

Joel F. Plastridge has forty years of experience in many aspects of investment management and markets including: Investment Portfolio Management, Investment Analysis, Relationship Selling and Product Development.

#### **Owners, History of Services**

Joel F. Plastridge Investment Services operates as a sole proprietor owned business. Following a secondary education in business and economics, positions held included Investment Research Analyst, Senior Bank Advisor, Senior Portfolio Manager and Vice President, and currently Sole Proprietor as Bank Investment Adviser.

#### **Types of Service Offered**

Providing liquidity management, fixed income diversification plans, covered option writing programs, common stock selection, and asset allocation programs for clients with investment portfolios.

#### **Tailoring Advisory Services, Client Restrictions**

This advisory service is able to be tailor made to suit a wide range of client financial management needs. Some clients require more specialized services such as bank management reports covering balance sheet ratios and liquidity studies to be presented to trustees at frequent meetings and presentation of present market and economic forecasts, investment recommendations, and responses to a variety of questions about the bank's investment portfolio. Investment advising is based on and guided by the bank's investment policy guidelines, and the investment goals set by each client.

#### **Wrap Fees**

*None*

### **Client Assets; Discretionary and Non-discretionary**

Currently, as of the date of this brochure, assets under management with Joel F. Plastridge total \$43.1MM. None of these funds are invested or managed on a discretionary basis. All investment activities require client approval to execute transactions.

## **Fees and Compensation**

### **Fee schedule**

Fees are set for individual clients on a services required basis. Some clients require economic and market forecasting reports while others do not. Some covered option writing programs are different from others in terms of dollars allocated to the program or contract time duration of underlying portfolio holdings and activities to obtain investment goals, and therefore fees differ with each client. Fees are negotiable, and efforts are made to match services required to fees charged.

### **Client Billing**

Clients are billed separately from the client investment program asset totals, and returns from those investments. No additional fees are incurred or deducted, and there are no client aggregate (pooled) programs.

### **Broker and other Transaction Costs**

Clients incur custodial fees, brokerage fees, and transaction fees directly from the broker used for such services.

### **Quarterly Fee Payment, Refunds**

Clients are billed quarterly, in advance of the quarter. A written notice 90 days in advance is required to terminate the advisory service contract.

### **Compensation for Sales**

*None*

## **Performance Based Fees; Side by Side Management**

*None*

### **Types of Clients**

Advisory Services are available to local community banks, high net-worth clients and family investment portfolios.

### **Methods of Analysis, Investment Strategies or Managing Assets and Risk of Loss**

For both fixed income and equity portfolios, including preferreds and closed-end mutual funds for more income, market conditions are monitored along with equity shifts and diversification measures are provided to deliver a thorough overview.

### **Methods of Investment Strategies or Managing Assets**

Fixed income purchases are presented to clients with stress tests to show how prices change with interest rate shifts.

Covered Option programs have separate dedicated reports showing positions, contract times, number of days to contract expiration, and other important measures such as dividends, and monthly option program totals to focus clients on when income will be available, number of total dollars invested, historical annual total income, cumulative total option income and time weighted annual rates of return for closed out positions. These reports are presented at least monthly, but usually more frequently when transactions are made.

Prior to the aggregate option program report, individual buy/write worksheets are compiled and sent to clients to show rates of return calculations.

### **Risks of Specific Investment Strategies**

Fixed Income – Risks are present with market losses in the event of rising interest rates. Duration can pose a risk for callable agencies for example with rising rates. The risk for early redemption is present if rates fall to lower reinvestment rates. However, effort is given to keep maturities

relatively short at less than 5 years to keep the portfolio strong, and for reinvestment opportunities at rising rates as holdings mature.

**Common Stocks** – Common and preferred stocks investments are rated B+ or better by Standard & Poor’s or Value Line rating agencies to be considered eligible for client portfolios. These stocks are acquired for income and growth. However, all stocks are subject to market conditions, underlying company performance, and a host of other factors which may pose investment risks.

Covered Option Writing Programs reduce risks of common stock ownership by being hedged to the extent of the call premiums sold. Additional income can be generated by selling “in the money” calls when underlying stocks are selling below book value in what appears to be a temporary factor. In some instances it is prudent to buy back “in the money” calls to preserve principal and reposition the option stock and then sell “at the money” calls to improve returns.

### **Disciplinary Information**

*None*

### **Other Financial Activities or Affiliations**

*None*

### **Code of Ethics, Interest in Client Transactions, Personal Trading**

#### **Code of Ethics**

Joel F. Plastridge has a position of client trust and is a fiduciary to each of his clients and it is his goal to maintain that trust; provide excellent service, good investment performance.

Investment Advisers owe their clients several specific duties as fiduciaries.

According to the United States Securities Commission (“SEC”) and state securities regulators, an Investment Adviser’s fiduciary duties include:

- Advice that is suitable
- Full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations)
- Utmost and exclusive loyalty and good faith
- Best execution of transactions
- The Adviser's reasonable care to avoid ever misleading clients
- Only acting in the best interests of clients

Joel F. Plastridge abides by honest and ethical business practices, and it is policy to protect the interests of each client and to place the clients' interests first and foremost in each and every situation.

Sources and investment analysis data are believed to be reliable, but no representation can be made as to the accuracy and completeness of data. The analysis is intended for informational purpose, and is not a solicitation to buy or sell a security.

**Material Interests in Securities recommended for Client Investments**  
*No Material Interests in Client Recommended Securities*

**Adviser Investing in Securities recommended for Client Investments**  
*No Adviser Investing in Client Recommended Securities*

## **Brokerage Practices**

### **Recommendation of Broker-Dealers**

Clients choose custody agents and broker-dealers when approving adviser recommended transactions. Compensation for transactions executed by the broker-dealer, or as custody agent are administered directly between the client and agency.

### **Research and Soft Dollar Benefits**

No transactions are procured for "soft dollar benefits".

**Benefit of client brokerage commissions**

There are no markups or markdowns of client commissions to obtain broker-dealer products or services.

**Incentive to select broker-dealers**

Any incentive to use specific broker-dealers is related to service rather than any soft dollar benefits.

**Soft dollar benefits vs. higher commissions**

Clients are not assessed higher commissions as compared to other broker-dealers in return for soft dollar benefits.

**Soft dollar cost distributions**

No soft dollar benefits are charged or assessed to clients in any manner.

**Types of Services and Products Acquired and Used**

No Soft Dollar benefits are provided from broker-dealers in relation to client transactions, however informational data and research on securities is obtained from broker-dealers to provide clients information on securities recommended, and general economic conditions. We use a wide range of broker generated research from Morgan Stanley, Wells Fargo, Credit Suisse, KBW, statistical services such as S&P and Value Line, Reuters, Bloomberg, MarketSmith, company home pages, and a host of other information working in this field since 1966 has demonstrated necessary to make client portfolios perform as well as possible, given individual client expectations, and other market factors.

**Direction of transactions based on soft dollar benefits**

No transactions are directed to broker-dealers, and no soft dollar benefits are obtained in conjunction with any transaction.

**Brokerage for Client Referrals**

*No Clients are referred from broker-dealers.*

**Directed Brokerage**

Directed brokering may limit the most favorable execution of a client's transactions.

**Adviser Initiated**

Adviser does not recommend, request or require that a client direct execution of transactions through a specific brokerage.

**Client Directed**

Adviser will permit client directed brokerage. Generally, those client directed brokerage requests are approved following adviser research into price and commission comparisons between broker dealers and approved service, by the client.

**Aggregating the Purchase or Sale of Securities**

*None*

**Review of Accounts**

Investment Portfolios are reviewed continually to monitor and make recommendations to advise the best investment choices for the client.

**Account Review**

Client investment accounts are reviewed by Joel F. Plastridge; investment adviser.

**Account Reports**

Monthly, clients receive portfolio reports priced with current market value, dividend, rating and yield information. Data is verified with clients and custody agents. Covered option programs have specialized reports to provide necessary data on transactions, monthly income expectation and current holdings, and other data required to manage

those accounts. Bank management reports are written with cover balance sheet ratios and liquidity studies, as well as economic conditions and events, and are prepared quarterly to be presented at trustee meetings.

**Client Referrals and Other Compensation**

*None*

**Custody**

*None*

**Investment Discretion**

*None*

**Voting Client Services**

Adviser does not have authority to vote Client Securities. Clients receive proxies directly from their custodian or security company.

**Financial Information**

**Prepayment of Fees more than 6 months in Advance**

*None*

**Discretionary Authority of Funds**

*None*

**Bankruptcy Petition**

*None*