

# 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

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## 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 January 31, 2019:

- **Chief Compliance Officer (“CCO”)**

As of April 1, 2019, Robert Stebbins is named CCO.

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## 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 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.

#### INVESTMENT ADVISORY SERVICES

ACG can perform such services in either an ERISA 3(21) or an ERISA 3(38) advisory capacity.

#### ERISA SECTION 3(21) INVESTMENT ADVISOR AND 3(38) INVESTMENT MANAGEMENT SERVICES

For employer-sponsored retirement plans with participant-directed investments, ACG provides its advisory services as an investment advisor as defined under Section 3(21) and as an investment manager as defined under Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

When serving as an ERISA 3(21) investment advisor, the plan sponsor and ACG share fiduciary responsibility. The plan sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of an ERISA 3(21) agreement between ACG and the plan sponsor. ACG provides the following services to the plan sponsor:

- Screen investments and make recommendations.
- Monitor the investments and suggests replacement investments when appropriate.
- Provide a monitoring report on a periodic frequency per client direction (generally quarterly).
- Assist the plan sponsor in developing an Investment Policy Statement (“IPS”).

When serving as an ERISA 3(38) investment manager, the plan sponsor is relieved of fiduciary responsibility for the investment decisions made by ACG. ACG is a discretionary investment manager in accordance with the terms of an ERISA 3(38) agreement between ACG and the plan sponsor.

ACG provides the following services to the plan sponsor:

- Select the investments.
- Monitor the investments and provide direction to replace investments when appropriate.
- Provide a quarterly monitoring report.
- Develop a customized IPS.

ACG's goal in identifying the plan's investment options is to provide a range of options that will enable plan participants to invest according to varying risk tolerances, savings time horizons or other financial goals. The plan's investment options may consist of ETFs, CITs, mutual funds, guaranteed investment contracts or other similar investment funds. The investment funds from which ACG will select from will be those that are available on the plan recordkeeper's investment platform. ACG is not responsible for the selection of the plan's recordkeeper or custodial service providers.

ACG will prepare an IPS for the plan. The purpose of the IPS is to provide guidelines for making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, evaluation, monitoring, and, if necessary, replacement of the investment options offered by the plan. ACG will perform ongoing monitoring of the investment options within the plan.

#### PENSION PLAN CONSULTING

ACG offers pension plan consulting services customized to the needs of each client. Consulting services can 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
- Vendor/Client 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 / MANAGEMENT

ACG has the following regulatory assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$18,718,591	\$0	12/31/2018

ACG has \$1,947,045,513 of assets under advisement as of 12/31/2018.

## 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.

#### INVESTMENT ADVISORY SERVICE AND 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%
\$5,000,001 - \$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 generally \$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 generally 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 in arrears, typically on a monthly or a quarterly basis. 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 or similar investments 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. For informational purposes, some of the risks associated with investing are outlined below.

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We provide recommendations on the investment options to be offered in plan fund menus. However, we depend on the manager

of such funds to select individual investments in accordance with their stated investment strategy.

**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**

#### **Dually Registered Investment Advisors Representatives ("IAR")**

Some of our IARs are IARs of Strategies, LLC. Strategies, LLC compensates these IARs for advisory services in addition to the services engaged with ACG. These IARs are considered dually registered IARs.

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 any conflicts 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 discretion as to the individual securities purchased within the funds offered in 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 discretion as to the individual securities purchased within the funds offered in 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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Prior to engaging ACG as an ERISA 3(38) investment advisory services, a client will enter into a written agreement with ACG granting the firm the authority to supervise and



select/replace, on an on-going basis, investments in accordance with the client's investment objective and guidelines.

In all other respects, ACG does not accept discretionary authority with respect to client investments.

## **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. We do not have responsibility with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

## **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.