

## Part 2A of Form ADV: *Disclosure Brochure*



### **Monte Financial Group, LLC**

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Date of Brochure: September 11, 2019

This brochure provides information about the qualifications and business practices of Monte Financial Group, LLC ("MFG"). If you have any questions about the contents of this brochure, please contact us at 203-453-6851 or by email sent to [info@montefinancialgroup.com](mailto:info@montefinancialgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

It should be noted that registration as an investment adviser does not require nor does it imply any level of skill or training.

Additional information about MFG also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 150119.

## **Item 2 Material Changes**

### **SUMMARY OF MATERIAL CHANGES**

This Firm Brochure, dated February 28, 2019 provides you with a summary of Monte Financial Group, LLC's (hereinafter "MFG," "our firm" or "we") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform you of the revision(s) based on the nature of the information as follows.

1. *Annual Update:* We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. Either we will provide you with a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. *Material Changes:* Should a material change in our operations occur, depending on its nature, we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings and/or significant changes to our advisory services – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following material changes to this Part 2A, Disclosure Brochure, have been made since our last update on February 28, 2019:

- Item 4 has been updated to reflect changes in our fee schedule.
- Item 10 has been updated to reflect the fact that Mr. Monte no longer holds an interest in National Advisors Trust Company, FSB, a Federal Savings Bank that offers personal trust, employee benefit services, IRA and custodial services to clients on a national basis.
- Item 12 has been updated to Charles Schwab and Company and its affiliates ("Schwab") as one of the providers MFG generally recommends clients utilize for brokerage and clearing services.

### **ANNUAL OFFER TO CLIENTS**

At any time, you may view the current Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

You may also request a copy of this Brochure upon written request to:

Monte Financial Group, LLC

30 Long Hill Road

Guilford, CT 06437

### **Item 3 Table of Contents**

Monte Financial Group, LLC.....	1
Item 2 Material Changes .....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	6
Item 6 Performance-Based Fees and Side-By-Side Management.....	9
Item 7 Types of Clients.....	9
Item 9 Disciplinary Information .....	12
Item 10 Other Financial Industry Activities and Affiliations .....	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
Item 12 Brokerage Practices .....	14
Item 13 Review of Accounts.....	16
Item 14 Client Referrals and Other Compensation .....	17
Item 15 Custody.....	18
Item 16 Investment Discretion.....	18
Item 18 Financial Information .....	19

#### **Item 4 Advisory Business**

MFG is a fee-only wealth management and investment advisory firm located at 30 Long Hill Rd in Guilford Connecticut. MFG was formed by Robert J. Monte, the firm's President, principal owner and Chief Compliance Officer, on June 19, 2009, and has been in business ever since. Mr. Monte began his career in the securities business in 1984, and has over 30 years' experience as a financial advisor. Prior to establishing MFG, he spent 17 years at Smith Barney, more than half his tenure there as Senior Vice President Wealth Management.

As more fully disclosed below, MFG's resources are dedicated to primarily providing wealth management strategies and investment management for individuals, their families and affiliated parties and accounts and asset management for individuals, trusts formed by such individuals, estates, charitable giving accounts, IRA's and other retirement plans as related to the specific needs of the individual and his or her family. MFG also offers a broad range of comprehensive financial planning and consulting services which may include tax-related and other non-investment related matters. Our services include:

- Investment Management
- Financial Planning
- Financial Consulting

As of December 31, 2018, the total regulatory assets under management with MFG were \$ 228,268,118, all of which is managed on a discretionary basis. MFG also provides consulting services for approximately \$3,100,000 in assets, which are not included in our regulatory assets under management because we do not provide regular supervisory or investment management services with respect these accounts. A more detailed description of our services is set forth below.

#### **INVESTMENT MANAGEMENT**

Our Investment Management services include providing discretionary, continuous advice to clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions and our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as, family composition and background. We develop a client's personal investment policy, and create and manage on a discretionary basis an investment portfolio based on that policy.

As more fully detailed in Item 8 of this Brochure, we typically create and manage a portfolio primarily comprised of individual equity and fixed income securities, allocating the client's assets among various investments taking into consideration the overall management style selected for the client. To further diversify client assets, Independent Investment Managers (defined below), exchange-traded funds (ETFs) and/or mutual funds may be included in client portfolios and are selected based on any or all of the following criteria: the performance history; the industry sector in which the fund invests; the track record of the manager; investment objectives; management style and philosophy; and the management fee structure. Portfolio weighting between market sectors and funds are determined on a per account basis pursuant to each client's individual needs and circumstances. Clients retain individual ownership of all securities.

**Independent Investment Managers Program:** As part of our Investment Management Services, MFG also provides access to asset management services in which some portion of the client's assets are managed by an unaffiliated, independent investment manager ("Independent Investment Manager"). These programs provide more diversified investment opportunities among stocks, bonds, and other types of securities and investment vehicles beyond MFG's proprietary strategies.

Our firm performs management searches of various unaffiliated investment managers. Based on the client's individual circumstances and needs (as identified in the client's Personal Investment Policy) we determine which selected Independent Investment Manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected Independent Manager. The terms and conditions under which Clients may engage the Independent Investment Managers, which will include separate fees in addition to our Management Fee, generally are set forth in a separate written agreement between the Client and the designated Independent Investment Managers. Clients should refer to the Independent Investment Manager's Firm Brochure or other disclosure document for a full description of the services offered.

Once we identify an Independent Investment Manager(s), our firm provides the selected adviser(s) with the client's investment profile (including any client-imposed restrictions), who then creates and manages the client's portfolio based on that information.

On an ongoing basis, we monitor the performance of the Independent Investment Manager(s). If we determine that a particular adviser is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with that client's personal investment policy, then we may move the client's portfolio to a different Independent Investment Manager. Under this

scenario, our firm retains the discretion to hire and fire the Independent Investment Manager and/or move the client's portfolio to a different program.

At least annually, we meet with the client to review and update, as necessary, the client's personal investment policy. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's personal investment policy is warranted.

## FINANCIAL PLANNING

Our financial planning services include a comprehensive evaluation of a client's current and future financial state. We gather information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. Prior to implementing the plan, we suggest the client consult with his/her attorney, accountant, insurance agent, and/or other trusted advisor(s). Implementation of the financial plan recommendations is entirely at the client's discretion.

MFG's step-by-step process is as follows:

- **Define.** In this step, we establish and define the relationship, which determines whether MFG can meet client expectations. This step involves an introductory meeting during which MFG provides a thorough explanation of our capabilities, philosophies about investing, client services, and fee structure.
- **Gather.** During this step, MFG determines the client's needs. At this point, we review the client's assets and cash flow needs. This involves an in-depth discussion with the client regarding their needs, goals and a risk assessment.
- **Analyze / Evaluate.** During this step, MFG builds the client's investment strategy. MFG develops a course of action designed around the client's current financial needs, risk tolerance, as well as the client's goals. This step typically involves the input of the client's other trusted advisors, such as his or her attorney and/or CPA.
- **Plan.** During this step, MFG presents the client's personalized investment plan, stated investment policy and action plan. MFG explains the basics of the recommendation, the reasons why it believes it suits your specific needs and provide full disclosure of fees and expenses.

In general, the financial plan can address any or all of the following areas:

- **Personal:** We review family records, budgeting, personal liability, estate information and financial goals.
- **Tax & Cash Flow:** We analyze the client's income tax and spending and planning for past, current and future years.
- **Investments:** We analyze various investment scenarios and their effect on the client's portfolio.

We also provide general non-securities advice on topics that may include tax, estate and charitable planning. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

## FINANCIAL CONSULTING

In the event a client does not wish to retain MFG for discretionary investment management services, they may instead utilize MFG for specific financial consulting services. This may include advice only on an as-needed basis and only in an isolated area(s) of concern such as nondiscretionary investment advice, liquidity management, longevity planning, risk management, tax planning, legacy planning, trust services and charitable giving. Prior to engaging MFG to provide any of the foregoing investment advisory services, the client is required to enter into Consulting Services Agreement with MFG setting forth the terms and conditions under which MFG renders our services (the "Consulting Agreement").

MFG offers Consulting Services that do not include investment supervisory or investment management services, nor do they include the regular review or monitoring of the client's investment portfolio. In the event that a client wants MFG to provide ongoing investment supervisory or investment management services, such an engagement will be set forth in a separate Investment Management Agreement, and the client will pay MFG Management Fees for such services. Consulting Services clients will have the option of implementing MFG's advice in their sole discretion, with the professional advisor(s) of the client's choosing (including the client's broker, accountant, attorney, etc.). The clients specifically acknowledge in the Consulting Agreement that MFG and its financial advisors' role is that of facilitator between the client and his or her designated professional advisor(s). The clients retain absolute discretion over all such

implementation decisions and are free to accept or reject any of MFG's recommendations. From time to time and as agreed between the Consulting Services clients and MFG, such clients may, in their discretion, request MFG to arrange for the purchase and sale of securities recommended by MFG and accepted by the client.

Financial Consulting clients are under no obligation to act upon any of the recommendations made by MFG under their Consulting Agreements, nor are clients obligated to engage the services of any recommended professional (including those of MFG).

As described in Item 8, MFG employs a step-by-step process in our approach to providing investment strategies. In performing any of our services, MFG is not required to verify any information received from the client or from the client's other professionals (e.g. attorney, accountant etc.). The client specifically authorizes MFG and its financial advisors to rely on such information.

Once engaged, the client is advised that it remains his or her responsibility to promptly notify MFG if there is ever any change in his or her financial situation or investment objectives for the purpose of reviewing, evaluating, or revising MFG's previous recommendations and/or services. However, for ongoing consulting arrangements MFG will provide, at minimum, semi-annual reviews to verify such information.

### **Item 5 Fees and Compensation**

MFG employs one of three methods to obtain compensation for our services. The method used depends on the service the client requires, as well as his or her specific needs. Each of these methods is governed by one of the following types of agreements, as described in more detail under the applicable heading below:

- Investment Management: Asset based fee
- Financial Planning: Flat rate fee
- Financial Consulting: Hourly fee or Flat rate fee

#### **INVESTMENT MANAGEMENT: Asset based fee**

Except as otherwise provided, MFG's annual fee for services ("Management Fee") provided under an Investment Management Agreement shall be a percentage of the market value of the assets under MFG management. The Management Fee is paid quarterly in advance based upon the market value of the assets on the last day of the previous quarter. The market value is based on the records of the institution retained by the client to provide custodial services (Custodian). MFG's fee is a flat fee based on last dollar as follows:

<b><u>Total Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
Up to \$499,999	1.000%
\$500,000 to - \$999,999	0.875%
\$1,000,000 to -\$1,999,999	0.750%
\$2,000,000 to -\$7,500,000	0.650%
Above \$7,500,001	0.500%

Where we have delegated the active discretionary management of all or part of client assets to one or more Independent Investment Managers, clients will pay such Independent Investment Managers separate fees, in addition to our Management Fee, as may be set forth in a separate written agreement between the client and the designated Independent Investment Managers. We will continue to render services to clients relative to the supervision of the Independent Investment Managers and ongoing monitoring and review of account performance, asset allocation, and investment objectives, for which services we shall be paid our Management Fee as set forth above.

**Limited Negotiability of Management Fees:** Although MFG has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition and reports, among other factors. The specific annual Management Fee schedule is identified in the contract between MFG and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized Management Fee. We also reserve the right to reduce or waive Management Fees for services provided to family members and friends of individuals associated with our firm. Such rates are not available to all of our Investment Management clients.

**Grandfathering of Minimum Account Requirements and Management Fees:** Client are subject to MFG's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements and/or advisory fees will differ among clients.

**Investment Management Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

No increase in the Management Fee shall be effective until MFG has given the client prior written notice of such increase.

**Payment of Management Fees:** As mentioned above, Management Fees are payable quarterly in advance. For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

If assets are deposited into an account after the inception of a quarter that exceed \$100,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to MFG, subject to the usual and customary securities settlement procedures.

For partial withdrawals in excess of \$100,000 within a billing period, MFG shall credit any unearned fee towards the next quarter's Management Fee. However, MFG designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

Management Fees may be paid, at the client's option, by:

- Deducting directly from the account from which services were provided
- Deducting from a directed account for cumulative services
- Direct billing to client

The client Investment Management Agreement and/or a separate agreement with the custodian will govern the form of payment. Such agreements may authorize MFG to debit the client's account for payment of Management Fees and the custodian to directly remit that management fee to MFG in accordance with applicable custody rules.

**Termination of the Investment Management Relationship:** A client Investment Management Agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party.

#### **FINANCIAL PLANNING: Flat rate fee**

MFG's Financial Planning Fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All Financial Planning Fees are agreed upon prior to entering into a Financial Planning Agreement with the client. MFG requires a retainer of up to 50% of the flat rate Financial Planning Fee, payable in advance upon execution of the Financial Planning Agreement; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance will be due and payable upon completion and delivery of the plan.

**Financial Planning Fee Offset:** Subsequent to our initial planning fee, MFG will waive future financial planning fees when a client engages us for our Investment Management Services and the client's assets under management are no less than \$500,000.

**Payment of Financial Planning Fees:** As mentioned above, MFG requires a retainer of up to 50% of the flat rate Financial Planning Fee, payable in advance upon execution of the Financial Planning Agreement. The balance will be due upon completion and delivery of the plan by direct billing.

**Termination of the Financial Planning Relationship:** A client Financial Planning Agreement may be at any time, by either party, for any reason upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party.

#### **FINANCIAL CONSULTING: Hourly rate or flat rate fee**

MFG's Consulting Fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. All Consulting Fees are agreed upon prior to entering into a Consulting Agreement with any client. MFG may be compensated for our Consulting Services on a flat rate fee or hourly basis, at the rate of \$225-350 per hour (within a minimum charge of 10 minutes and increments of 10 minutes), depending upon the scope and nature of the services being provided. Consulting Fees charged on a flat rate basis typically range from \$1,000 to \$5,000 per quarter, subject to the specific arrangement reached with the client.

**Limited Negotiability of Consulting Fee Hourly Rate:** Although MFG has established the aforementioned hourly rates, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the rates. These include the complexity of the client, assets to be consulted on, anticipated future additional assets; related accounts; portfolio style, account composition and reports, among other factors.

**Consulting Fee Offset:** MFG reserves the discretion to reduce or waive the Consulting Fee if a Consulting Services client chooses to engage us for our Investment Management Services.

**Payment of Consulting Fees:** Consulting Fees on an hourly basis are billed directly to the client monthly or quarterly in arrears, as determined at the outset of the engagement. Flat rate Consulting Fee clients pay a pre-negotiated, annual retainer fee billed directly to the client. At the time of engagement, the client pays a deposit representing 25% of the annual retainer fee due for the first quarter of service. Clients then pay 25% of the retainer fee at the beginning of each succeeding quarter. For the initial quarter of flat rate Consulting Services, the first quarter's fees shall be calculated on a pro rata basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

**Termination of the Consulting Services Relationship:** A client Consulting Agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party.

## ACCOUNT MANAGEMENT

As mentioned previously in this brochure, the client's funds and securities will be maintained by a third party custodian. The client may make additions to and withdrawals from the account at any time, subject to MFG's right to terminate the client relationship as set forth in the client agreement. Additions may be in cash or securities provided that MFG reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. MFG may consult with our clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they could be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

## ADDITIONAL FEES AND COSTS

As further described in Items 10 & 12, MFG generally recommends that clients utilize the brokerage and clearing services of Fidelity Investments, its affiliates (collectively referred to as "Fidelity"), Charles Schwab and Company and its affiliates (collectively referred to as "Schwab") and/or National Advisors Trust (NATC) for investment management accounts.

MFG's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by a client. In addition to fees associated with the services of MFG, the client may also incur certain charges imposed by custodians, broker-dealers, third party investments and other parties such as fees charged by Independent Investment Managers, custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees imposed by variable annuity providers and disclosed in the annuity contract, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions not mentioned here. All such charges, fees and commissions are in addition to our fee, and MFG does not receive any portion of these charges, fees, and commissions.

**Mutual Fund Fees:** When applicable, MFG may recommend the use of mutual funds. In such instances, MFG will only recommend "no load" mutual funds. "No load" mutual funds are mutual funds in which shares are purchased without a commission or sales charge, although the broker-dealer may charge a transaction fee. All fees paid to MFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Independent Investment Managers Program:** Clients participating in separately managed account programs with Independent Investment Managers may be charged various program fees in addition to the Management Fee charged by our firm. Such fees include the investment advisory fees of the independent advisors, which may be charged as part of a wrap fee arrangement that does not include our fees. In a wrap fee arrangement, clients pay Independent Investment Managers a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of



portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients in addition to our Management Fees.

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

None of MFG's fees shall be based on capital gains or capital appreciation of the assets. MFG does not manage client accounts on a side-by-side basis.

#### **Item 7 Types of Clients**

MFG works primarily with individuals, their families and affiliated parties and accounts. Such affiliated parties and accounts may include trusts formed by such persons, charitable gift funds, IRA's and other retirement plans as related to the specific needs of MFG's clients.

As a condition for engaging and retaining our firm for investment management services, MFG's minimum account size is \$500,000, but from time to time MFG offers exception to this minimum. MFG may consider the following factors, among others, when determining whether to make an exception to the minimum account size:

- Pro Bono Publico: Work we have undertaken voluntarily and without payment as a public service
- Clients who are related to individuals associated with MFG
- Pre-existing clients of MFG's financial advisors
- Account composition
- Anticipated future earning capacity of the client
- Anticipated future additional assets of the client
- Related accounts of the client
- Account retention

**Grandfathering of Minimum Account Requirements:** As previously disclosed in Item 5, our firm has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. However, pre-existing advisory clients are subject to MFG's minimum account requirements in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

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

As previously mentioned in Item 7, MFG's resources are primarily dedicated to providing wealth management strategies and investment management for individuals and their families. MFG employs a step-by-step process in our approach to developing investment strategies designed to meet the particular needs of our clients. For our Investment Management clients, upon completion of the personal investment plan and its acceptance by the client, MFG proactively manages the client's account. This involves the provision by MFG of regular updates and advice on the client's portfolio. During the course of any year, MFG will recommend adjustments according to the boundaries set within the client's personalized investment policy. MFG also offers ongoing performance reporting for accounts greater than \$250,000, so a client can track the progress of his or her investments. This provides another valuable tool for understanding the client's investments and recognizing when changes may or may not be appropriate.

Although MFG employs a step-by-step process to establish a particular asset allocation and wealth management strategy for each client there is risk that MFG does not completely understand the client's full situation. All investment strategies involve risk. There is risk of being too conservative or too aggressive, in other words there can be risk of lost opportunity or loss of principal.

MFG's client portfolios are specifically designed for the needs and objectives of those clients. Generally, the investments recommended by MFG include (but are not limited to):

- Equity Securities
  - Exchange listed securities
  - Securities traded over the counter
- United States Treasury Securities
- Certificates of Deposit
- Municipal Bonds rated A or better by Standard and Poor's

- Investment Grade Corporate Bonds
- Corporate debt securities (other than commercial paper)
- Publically traded US Corporations
- American Depository Receipts of Established International Corporations
- Exchange trade funds (ETF) of the above securities
- Investment company securities/ Mutual fund shares

MFG does not, as a matter of philosophy, recommend leveraged exchange-traded funds, private placements, microcap trading, hedge funds, alternative investments, mortgage backed securities, limited partnerships and certain types of international securities. Furthermore, Clients are free to restrict their portfolio from certain industries, company specific securities or asset classes upon written request. As a general rule, MFG does not employ short sales, margin, or option strategies as a means of increasing client returns.

While MFG limits the type of securities it recommends to clients there is still the risk of loss. Clients should be prepared that investing in securities of any kind, regardless of the number of restrictions, involves a risk of loss of principal at any point in time.

## **METHODS OF ANALYSIS**

MFG's analysis of securities and investment vehicles and their place in client portfolios is based on fundamental analysis, as further described below. MFG screens individual equity investment candidates (i.e., such as those in US publically traded corporations) prior to their recommendation. We obtain information used to screen and recommend specific investment recommendations from the following list, in no particular order of importance:

- Annual Reports
- Prospectuses
- Filings with the Securities and Exchange Commission
- Company press releases
- Corporate rating agencies
- Research material prepared by others
- Financial newspapers and magazines
- Government related public information
- Other sources of information not mentioned

## **Fundamental Analysis**

MFG's fundamental analysis, whether pertaining to fixed income securities or equities, begins with an overall view of the economy, political climate and global forces. When providing a fundamental analysis specific to investments in individual securities (fixed or equity), it involves analyzing the entity's financial statements, its management and competitive advantages, and earnings. MFG approaches its individual stock selection utilizing both bottom up analysis and top down analysis.

Fundamental analysis, like other forms of research, is subject to interpretation by the investment advisor, and is therefore subject to error. Furthermore, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Even with the best efforts of MFG and its investment advisors, there is a risk that MFG's projections may not happen and result in either a loss of investment opportunity or principal loss. Clients should be understand that investing in securities of any kind, regardless of any analysis performed, involves a risk of loss of principal at any point in time.

## ***Independent Investment Manager Analysis.***

We examine the experience, expertise, investment philosophies, and past performance of Independent Investment Managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the Independent Investment Manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey Independent Investment Manager's compliance and business enterprise risks.

A risk of investing with an Independent Investment Managers who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an Independent Investment Manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less

suitable investment for our clients. Moreover, as we do not control the Independent Investment Manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect and we do our best to comprehensively research recommended investments, there is always a risk that our analysis may be compromised by inaccurate or misleading information that could result in loss of capital or loss of opportunity.

## INVESTMENT STRATEGIES

We use the following strategy(s) in managing client accounts, provided that such strategy(s) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Risk of Loss.** Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. Markets can experience volatility and clients need to understand portfolio values may change significantly and there is a risk of loss.

**Equity Risk.** Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and terrorism-related factors, influence the cost of equities and equity-related securities; there can be no assurance that MFG will be able to predict future price levels correctly.

**Debt Securities Risk.** Fixed income securities could face ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. Such securities may not be exchange-traded and trade in the over-the-counter market, which is generally less transparent and may have wider bid/ask spreads than the exchange-traded marketplace. Such instruments are dependent on the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these securities and could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Fixed-income securities may be interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the fixed income holdings may therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilize appropriate strategies to maximize returns, while attempting to minimize the associated risks to investment capital.

**Reliance on the Principal.** The success of client investments depends in large part upon the skill, knowledge, judgment, experience and expertise of Mr. Robert Monte to develop and implement investment strategies that achieve the account's investment objective. MFG has a business continuity plan in place should Mr. Monte be unable to continue to provide such services.

**Trade Execution Risk.** The client's investment and trading strategies may depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by MFG. The client's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to the client, MFG, the client's counterparties, brokers, dealers, agents, or other market participants. In such event, the client might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the client might not be able to make such adjustment. As a result, the client would not be able to achieve the market position selected by MFG, which may result in a loss.

**Trade Errors.** On occasion, errors may occur with respect to trades executed on behalf of the client. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account and when the wrong quantity is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded). Trade errors frequently result in losses but may, occasionally, result in gains. When a trade error results in a loss to a client account, MFG makes the client whole. When a trade error results in a gain to a client account, MFG donates the gain to charity.

**Cyber Security, Other Breaches and Identity Theft.** Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. MFG's and its service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches (by physical or electronic means), usage errors by their respective users or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information. Although MFG has implemented, and service providers may implement, various measures to manage risks relating to these types of events, such systems could be inadequate and, if compromised, could become inoperable for extended periods of time, or cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. MFG may have to make a significant investment to fix or replace any inoperable or compromised systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in MFG's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients and the intellectual property and trade secrets of MFG. Such a failure could harm MFG's reputation, subject MFG and its affiliates (including clients) to legal claims and otherwise affect their business and financial performance.

#### **Other Risk Factors**

- No Participation in the Management of Underlying Managers or Investments.
- Conflicts with Other Clients.
- Valuation Difficulties or Errors.
- Liquidity.
- Leverage.
- Exposure to Material Non-Public Information.
- Accuracy of Public Information.
- Non-Exchange Traded Equity Securities.
- Investments in Undervalued Securities.
- Market Conditions and Volatility.
- Changes in Market Environment.
- Issuer Concentration and Diversification Risk.
- Investments in Less Established Companies

#### **Item 9 Disciplinary Information**

Neither MFG, our management or investment advisor representatives are the subject of or subject to any legal or disciplinary events.

#### **Item 10 Other Financial Industry Activities and Affiliations**

As further described in Item 12, MFG recommends the use of Fidelity Investments and its affiliates for brokerage and clearing services. Robert Monte's son is employed by Fidelity and has a 1% ownership stake in MFG. We do not believe this presents a true conflict of interest as the MFG accounts held at Fidelity do not provide any material benefit to MFG, Mr. Monte's son or Mr. Monte. Clients of MFG, however, are under no obligation to utilize the services provided by Fidelity and may choose to use another broker and still retain MFG to provide our advisory services.

Neither MFG nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker dealer. Furthermore, neither MFG nor any management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

Our firm has adopted a Code of Ethics (the “Code”) which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

MFG and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement and recordkeeping provisions.

MFG’s Code of Ethics further includes the firm’s policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our clients and prospective clients. You may request a copy by email sent to [info@montefinancialgroup.com](mailto:info@montefinancialgroup.com), or by calling us at 203-453-6851.

MFG and individuals associated with our firm are prohibited from engaging in principal transactions or agency cross transactions.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation of partial fills.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm’s Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

No principal or employee of our firm may put his or her own interest above the interest of an advisory client.

No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.

We maintain a list of all reportable securities holdings for our firm and all supervised persons of MFG. These holdings are reviewed on a regular basis by our firm’s Chief Compliance Officer or his designee.

We have established procedures for the maintenance of all required books and records.

Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.

The President and all employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.

Any violations of the Code of Ethics must be promptly reported to the firm's Chief Compliance Officer.

### **Item 12 Brokerage Practices**

MFG does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

MFG generally recommends that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively referred to as "Fidelity") as well as Charles Schwab and Company and its affiliates (collectively referred to as "Schwab"). MFG may also recommend the services of National Advisors Trust Company ("NATC") for certain investment management accounts that do not require the more comprehensive services and resources provided through Fidelity or Schwab.

MFG has established a prime brokerage account relationship with Fidelity and Schwab through which we may purchase fixed income and equity products directly from third parties and maintain custody at Fidelity and Schwab. In this situation, we will select those brokers or dealers which will provide optimal services while seeking the lowest commission rates possible. The reasonableness of brokerage costs, commissions and markup/mark downs is based on the broker-dealer's ability to provide professional services, competitive execution, and other services that assist our firm in providing investment management services to our clients. Thus, for fixed income and equity transactions, MFG may request that our firm be provided with written authority to determine the broker-dealer to use for client fixed income and equity transactions and the costs that will be incurred by clients for these transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Where possible, client trades in fixed income or equity securities may be blocked with transactions for other advisory clients to achieve better pricing and commission costs. Fixed income or equity trades will be allocated on a rotational basis in the best interest of the client as set forth in MFG's policy and procedures manual.

MFG has an arrangement with National Financial Services LLC, Charles Schwab and Company (together with all affiliates, "Schwab"), and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity and Schwab provide our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like MFG in conducting business and in serving the best interests of our clients but that may also benefit us.

MFG reserves the right to decline acceptance of any client account that directs the use of a broker-dealer other than Fidelity, Schwab, or NATC if we believe that this choice would hinder our fiduciary duty to the client. In directing the use of Fidelity, Schwab, or NATC, it should be understood that MFG will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. Clients should note, while we have a reasonable belief that Fidelity and Schwab are able to obtain best execution and competitive prices, we will not be independently seeking best execution price capability through other broker dealers with the exception of certain fixed income transactions.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables MFG to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by MFG (within specified parameters).

In addition, Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab enables MFG to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Schwab also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Schwab directly from independent research companies, as selected by MFG (within specified parameters).

Generally, Fidelity, Schwab, and/or NATC provide MFG with a technology platform to conduct its day-to-day business for clients.

**Among the additional benefits Schwab provides to its clients:**

- Account statement(s)
- Confirmation of trades
- On-line access to accounts
- Access to certain account services
- 1099 reporting
- Various third-party research
- Thousands of mutual funds on a “no load” basis
- Independent investment news and views
- Other various services

**Among the additional benefits Fidelity provides to its clients:**

- Account statement(s)
- Confirmation of trades
- On-line access to accounts
- Access to certain account services
- 1099 reporting
- Various third- party research
- Thousands of mutual funds on a “no load” basis
- Independent investment news and views
- Other various services

**Benefits provided by NATC to its clients include:**

- Account statement(s)
- Confirmation of trades
- Access to certain account services
- On-line access to accounts
- 1099 reporting
- Trust and custodial services
- Other various services

Additionally, MFG may receive the following benefits from Fidelity, Schwab and NATC:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its Registered Investment Advisor Group participants;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity’s Schwab’s and/or NATC’s services. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity, Schwab and NATC and have determined that the relationship is in the best interests of MFG’s clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while MFG will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account. MFG, Fidelity, Schwab, NATC are not affiliated. See Item 10 above for more information.

**Trade Aggregation and Allocation:** MFG will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. MFG will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. MFG's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with MFG, or our firm's order allocation policy.
2. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable MFG to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. MFG's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on MFG's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

### **Item 13 Review of Accounts**

## **INVESTMENT MANAGEMENT SERVICES**

**Reviews:** While the underlying securities within Investment Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Robert J. Monte, President of MFG, Certified Private Wealth Advisor®, Chartered Advisor in Philanthropy®

William H. Leete, Jr., Certified Financial Planner™



Alexander R. Monte: Certified Financial Planner™, Certified Investment Management Analyst®

Michael A Libertini: Research Analyst

**Account Administration:** The firm's investment professionals are responsible for the particular client relationship and have the primary responsibility for determining and knowing each client's circumstances and managing the client's portfolio consistent with the client's objectives. However, certain administrative duties may be handled by non-investment personnel.

**Reports:** Utilizing the services of a third party reporting company, MFG supplies written quarterly performance reviews for accounts valued at \$250,000 and above. Each report shows performance data for the client sufficient to track the performance of their account in both the short and long run. These reports are in addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer.

Generally, for accounts valued at less than \$250,000 MFG is not obligated to provide written quarterly performance reports.

### **Independent Investment Managers Program**

**Reviews:** The performance of the Independent Investment Manager(s) selected to manage client portfolios within our Independent Investment Managers Program is continually monitored by MFG. Furthermore, accounts within this program are formally reviewed at least quarterly. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by

Robert J. Monte, President of MFG, Certified Private Wealth Advisor®, Chartered Advisor in Philanthropy®

William H. Leete, Jr., Certified Financial Planner™

Alexander R. Monte: Certified Financial Planner™, Certified Investment Management Analyst®

Michael A Libertini: Research Analyst

**Reports:** In addition to the monthly statements and confirmations of transactions that these clients receive from their respective broker-dealer, MFG supplies written quarterly performance reviews utilizing the services of a third party reporting company. Each report shows performance data for the client sufficient to track the performance of their account in both the short and long run.

### **FINANCIAL PLANNING and CONSULTING SERVICES**

**Reviews:** For those clients to whom MFG provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis.

Such reviews are conducted by

Robert J. Monte, President of MFG, Certified Private Wealth Advisor®, Chartered Advisor in Philanthropy®

William H. Leete, Jr., Certified Financial Planner™

Alexander R. Monte: Certified Financial Planner™, Certified Investment Management Analyst®

**Financial Planning Reports:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

**Consulting Services Reports:** These client accounts will receive reports as contracted for at the inception of the Consulting Services engagement.

### **Item 14 Client Referrals and Other Compensation**

Currently, it is MFG's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. Furthermore, it is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **Item 15 Custody**

We previously disclosed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly debits Management Fees from certain client accounts.

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

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

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

### **Item 16 Investment Discretion**

Clients may hire us to provide discretionary investment management services, in which case we place trades in a client’s account without contacting the client prior to each trade to obtain the client’s permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary Investment Management Agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **INDEPENDENT INVESTMENT MANAGERS PROGRAM**

MFG is also authorized to delegate the active discretionary management of all or part of the assets to one or more unaffiliated Independent Investment Managers and/or investment management programs. MFG delegates such management based upon the client’s stated investment objectives. The terms and conditions under which a client may engage the Independent Investment Managers include separate fees in addition to MFG’s Management Fees. Such additional fees are set forth in a separate tri-party written agreement between the client, the designated Independent Investment Manager(s) and MFG.

The Independent Investment Manager shall have limited power of attorney and trading authority over those assets MFG directs them for management and they shall be authorized to buy, sell and trade in securities in accordance with the client’s investment objectives as communicated by MFG and to give instructions in furtherance of such trading authority to the broker dealer and custodian.

Under the tri-party agreement, MFG is authorized to terminate or change Independent Investment Managers when, in our sole discretion, MFG believes such termination or change is in the client’s best interest.

### **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client’s investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client’s investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

### **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. MFG has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Accordingly, we are not required to include a financial statement.

## Part 2B of Form ADV: Brochure Supplement

**Monte Financial Group, LLC**

30 Long Hill Road  
Guilford, CT 06437  
*Telephone:* 203-453-6851

*Web Address:* [www.montefinancialgroup.com](http://www.montefinancialgroup.com)

Date of Brochure September 11, 2019

This brochure supplement provides information about the Investment Advisor Representatives of Monte Financial Group, LLC that supplements the Monte Financial Group, LLC brochure. You should have received a copy of that brochure. Please contact Joan Monte at 203-453-6851 if you did not receive Monte Financial Group, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about the advisors mentioned in the report is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Educational Background and Business Experience: Robert J. Monte****Full Legal Name:** Robert John Monte**Born:** 1959**Education:** University of Connecticut, Bachelor of Arts, Economics 1982**Professional Designations:** Robert J. Monte has earned the following professional designation(s) and is in good standing with the granting authority:

Certified Private Wealth Advisor®

Chartered Advisor in Philanthropy®

**Business Experience:**

- Monte Financial Group, LLC; President, Chief Compliance Officer and Investment Adviser Representative from 06/2009 to Present
- Morgan Stanley Smith Barney LLC; Senior Vice President-Wealth Management from 07/1991 to 06/2009
- Dean Witter Reynolds; Vice President Financial Advisor from 05/1988-07/1991
- Paine Webber Incorporated; Financial Advisor from 04/1984-05/1988

**Item 3. Disciplinary Information**

Mr. Monte has no history of any disciplinary events.

**Item 4. Other Business Activities**

- A. Investment-Related Activities: Mr. Monte is not engaged in any other investment-related activities, nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products.
- B. Non Investment-Related Activities: Mr. Monte is not engaged in any non-investment investment-related activities.

**Item 5. Additional Compensation****Mr. Monte does not receive any economic benefit from a non-advisory client for the provision of advisory services.****Item 6. Supervision**

Robert Monte does not have a supervisor as he is the principal owner and Managing Member of Monte Financial Group, LLC, with full responsibility for the determination and implementation of all investment advisory services provided to clients of Monte Financial Group.

Robert Monte can be reached at 203-453-6851.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.

**Item 2. Educational Background and Business Experience: William H. Leete, Jr.**

**Full Legal Name:** William H. Leete, Jr.

**Born:** 1969

**Education:** University of Connecticut, Bachelor of Science, Management, 1993

**Professional Designations:** William H. Leete, Jr. has earned the following professional designation(s) and is in good standing with the granting authority:

Certified Financial Planner™

**Business Experience:**

- L.C. Wegard & Co., Inc.; September 1993 - March 1994
- UBS Financial Services Inc.; October 2001 – February 2005
- LPL Financial LLC; February 2005 – September 2014
- Park Avenue Securities LLC; September 2014 – February 2016
- Monte Financial Group, LLC, March 2016 to Present

**Item 3. Disciplinary Information**

Mr. Leete has no history of any disciplinary events.

**Item 4. Other Business Activities**

A. Investment-Related Activities:

- a. Leete Brothers Inc., 38 Rivaldi Drive, North Branford, CT 06471; share owner in S Corporation that owns property leased to cottage owners
- b. Leete Associates Inc., 38 Rivaldi Drive, North Branford, CT 06471; share owner in S Corporation that owns property leased to cottage owners.

Mr. Leete is not engaged in any other investment-related activities, nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non-Investment Related Activities: Mr. Leete is not engaged in any non-investment investment-related activities.

**Item 5. Additional Compensation**

Mr. Leete does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6. Supervision**

William H. Leete, Jr. is supervised by Robert Monte, the principal owner, President and Chief Compliance Officer of Monte Financial Group, LLC. Robert Monte reviews William Leete's work through frequent office interactions as well as remote interactions. Robert Monte also reviews William Leete's activities through MFG's Client Relationship Management system.

Robert Monte can be reached at 203-453-6851.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.

**Item 2. Educational Background and Business Experience: Alexander R. Monte**

**Full Legal Name:** Alexander Robert Monte

**Born:** 1992

**Education:** Roger Williams University, Bachelor of Science, Management, 2014

**Professional Designations:** Alexander R. Monte has earned the following professional designation(s) and is in good standing with the granting authority:

Certified Financial Planner™

**Business Experience**

- Monte Financial Group, LLC; June 1, 2014-March 05, 2015
- Monte Financial Group, LLC Investment Adviser Representative from March 06, 2015 to Present
- Monte Financial Group, LLC Certified Financial Planner™ from August 2018 to Present

**Item 3. Disciplinary Information**

Mr. Monte has no history of any disciplinary events.

**Item 4. Other Business Activities**

- A. Investment-Related Activities: Mr. Monte is not engaged in any other investment-related activities, nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products.
- B. Non-Investment Related Activities: Mr. Monte is not engaged in any non-investment investment-related activities.

**Item 5. Additional Compensation**

Mr. Monte does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6. Supervision**

Alexander Monte is supervised by Robert Monte, the principal owner, President and Chief Compliance Officer of Monte Financial Group, LLC. Robert Monte reviews Alexander Monte's work through frequent office interactions as well as remote interactions. Robert Monte also reviews Alexander Monte's activities through MFG's Client Relationship Management system.

Robert Monte can be reached at 203-453-6851.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.

**Item 2. Educational Background and Business Experience: Michael A. Libertini.**

**Full Legal Name:** Michael A Libertini

**Born:** 1995

**Education:** Stonehill College, Bachelor of Science, Finance, 2017

Business Experience

Dell Technology: Financial Analyst July 17, 2017-October 05, 2018

Monte Financial Group, LLC Research Analyst, October 2018 to present

Monte Financial Group, LLC Investment Advisor Representative January 2019 to present

**Item 3. Disciplinary Information**

Mr. Libertini has no history of any disciplinary events.

**Item 4. Other Business Activities**

- A. Investment-Related Activities: Mr. Libertini is not engaged in any other investment-related activities, nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products.
- B. Non-Investment Related Activities: Mr. Libertini is not engaged in any non-investment investment-related activities.

**Item 5. Additional Compensation**

Mr. Libertini does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6. Supervision**

Michael A Libertini is supervised by Robert Monte, the principal owner, President and Chief Compliance Officer of Monte Financial Group, LLC. Robert Monte reviews Michael Libertini's work through frequent office interactions as well as remote interactions. Robert Monte also reviews Michael A Libertini's activities through MFG's Client Relationship Management system.

Robert Monte can be reached at 203-453-6851.

**Item 7. Requirements for State-Registered Advisers**

Not applicable.