

**Item 1: Cover Page**

**Part 2A - Form ADV  
Firm Brochure  
March 31, 2022**



**Personal CFO Solutions, LLC**

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**This brochure provides information about the qualifications and business practices of Personal CFO Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at (908) 955-7055. 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.**

**Additional information about Personal CFO Solutions, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Personal CFO Solutions, LLC is 158248.**

**Registration as an investment adviser, or any reference to the firm being or the use of the term "registered", "registration" or "registered investment adviser" does not imply a certain level of skill or training.**

**Item 2: Material Changes**

This amendment to the Personal CFO Solutions, LLC Brochure is dated March 31, 2022 replaces the previous annually updated brochure, which was filed on March 31, 2021.

As of December 31, 2021, Personal CFO had \$1,200,444,334 assets under management. There are no material changes since the last annual updating amendment.

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## **Item 4: Advisory Business**

### **A. The Firm and its Owners**

Personal CFO Solutions, LLC (“Personal CFO”, “Firm”, “we”, “us” or “our”), is a New Jersey limited liability company that was formed in May 2011. Personal CFO is owned equally by John Vieira, Patrick Nolan and Bryan Landadio.

### **B. The Firm’s Services**

#### **1. Financial Planning and Consulting**

Personal CFO specializes in financial planning and consulting services. These services are comprised of ongoing financial counseling services for clients which incorporate the following areas: investment planning; income tax planning and preparation; estate planning & wealth transfer planning; employee benefit elections; insurance reviews and recommendations; financing of purchases; and cash flow modeling including retirement planning. We also provide various services relative to client assets not under Personal CFO’s management, including reviewing and monitoring such assets, and various activities related to such services.

Personal CFO provides services to its client via meetings where financial exhibits are presented, discussed, and reviewed. Client meetings typically take place in person with the exception of geographic challenges that preclude face to face meetings. In those instances, teleconferences are utilized.

Typically, Personal CFO will assist the client with the implementation of the financial plan while working with the client’s attorney, accountant, and/or insurance agent. The implementation of this plan will generally take the form of the Portfolio Management services described below. Personal CFO will also recommend the services of other professionals, such as tax, legal and mortgage professionals. Personal CFO does not receive any compensation for such referrals. The client is under no obligation to engage the services of any such recommended professional, and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Personal CFO.

#### **2. Discretionary Portfolio Management Services**

Personal CFO’s portfolio management services involve providing discretionary investment advice based on a client’s individual investment objectives and financial situation on an ongoing and continuous basis. In conjunction with the financial planning services described above, Personal CFO will interview clients and confirm their investor profile and risk tolerance. This profile will be openly communicated and discussed with the client at scheduled meetings. Clients have the ability to change their desired profile based upon market, economic and world events, as well as personal life events such as a pending retirement.

Using the determined client profile, if suitable to the client’s investor profile, the Firm will recommend Personal CFO Managed Portfolios (the “Program”) described in Form ADV Part 2A, Appendix 1 (“Wrap Fee Brochure”). The Personal CFO Managed Portfolios allocates client investable assets among various investment company securities (such as mutual funds and ETFs).

As an alternative to the program, if suitable to the client’s investor profile, Personal CFO recommends that its clients allocate investment assets on a discretionary basis to independent investment manager programs offered through one or more independent managers (the “Independent Manager”). In the

event that an Independent Manager is utilized, the client will be required to execute a separate written agreement with the Independent Manager (“Independent Manager Advisory Agreement”) and will incur additional fees imposed directly by the Independent Manager.

Additionally, Financial Planning clients who have elected to not utilize the Program or an Independent Manager, as part of the ongoing financial planning services, will allow Personal CFO to recommend and effect transactions on their behalf in their accounts on discretionary basis. These clients are responsible for all brokerage fees.

### **3. 401k Consulting**

The firm also occasionally acts as a 401k consultant for various 401k plans on a non-discretionary basis. In providing 401k consulting services, the firm assists the client in determining risk tolerance and investment objectives that are appropriate for each plan. This service is offered ancillary to the Firm’s discretionary portfolio management service, and Personal CFO does not receive additional compensation beyond that charged for its Personal CFO Managed Portfolios.

## **C. Miscellaneous Information About the Firm’s Services**

In connection with the provision of Personal CFO’s services, Personal CFO tailors its advisory services to the client’s individual needs. It does this by completing a client suitability assessment for each client, and by maintain regular contact between Personal CFO and the client to ensure that the client’s goals and risk tolerance are current. Clients can impose reasonable restrictions on Personal CFO’s services, which can include restrictions on investing in certain securities or types of securities.

## **D. Wrap Fee Accounts**

Personal CFO is the sponsor and manager of the Personal CFO Managed Portfolios Wrap Fee Program. Wrap fee accounts and allocation decisions are managed primarily based upon input from the investment management team. Other accounts are managed primarily by the Financial Advisor responsible for that client. See Personal CFO’s Wrap Fee Brochure for additional details and Wrap Fee Specific disclosures. Personal CFO receives a portion of the wrap fee for the management services provided to Personal CFO Managed Portfolios.

## **E. The Firm’s Assets Under Management**

As of December 31, 2021, Personal CFO’s had \$ 1,200,444,334 in discretionary assets under management.

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

### **A. The Firm’s Fees and Compensation for Services**

Personal CFO’s compensation differs based upon the services that it provides to a client.

#### **1. Financial Planning and Consulting**

Personal CFO will charge a fixed or hourly fee for this service, which will range from \$1,000 to \$20,000 on a fixed fee basis. This fee is negotiable. This fee is billed six months in arrears, but Personal CFO will bill up to twelve months in advance, upon a client’s request.

If a client engages Personal CFO to provide portfolio management services, Personal CFO, in its sole discretion, may determine to offset all or any portion of its fees for its portfolio management services based upon the amount paid for the financial planning and consulting services. Clients who utilize Personal CFO for portfolio management services as well as financial planning services; may be credited

in the form of a reduced planning fee. This offset is at the sole discretion of Personal CFO. In addition, Personal CFO, in its sole discretion, may charge a different financial planning and consulting fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.).

## **2. Discretionary Portfolio Management Services.**

### **Discretionary**

The annual fee for discretionary portfolio management services will be charged as a percentage of assets under management, which is .5%, .75%, or 1% of assets under Personal CFO's management. This fee is negotiable. Personal CFO's discretionary portfolio management service fees are deducted from the client's account by the client's account custodian. These fees are deducted quarterly in arrears.

The annual fee for investment assets allocated on a discretionary basis to independent investment manager programs offered through one or more independent managers (the "Independent Manager") shall be based on the fees as agreed to with the clients and set forth in agreement(s). Certain Independent Manager(s) may charge their fee in advance. Please review the Independent Manager Advisory Agreement thoroughly. All other clients will be invoiced in arrears at the end of each calendar quarter based upon the average daily market value of the assets in the client's account during the quarter. This fee is not negotiable.

With respect to a client with multiple accounts, Personal CFO, in its sole discretion, may combine the amount of assets in more than one account in determining the fee to be charged to that client for services on the client's total amount of assets. In addition, Personal CFO, in its sole discretion, may charge a different management fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.).

For the initial quarter of portfolio management services, the first quarter's fees shall be calculated on a pro-rata basis. In the event of a termination of Personal CFO's services, Personal CFO's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner or in accordance with the terms of Personal CFO's Investment Advisory Agreement (if set forth therein).

## **3. Pension Consulting Services**

This service is offered ancillary to the Firm's discretionary portfolio management service, and Personal CFO does not receive additional compensation beyond that charged for its Personal CFO Managed Portfolios.

## **4. Compensation for the Sale of Insurance Products and Annuities**

John Vieira as a registered representative of Purshe Kaplan Sterling Investments receives compensation from the sale of variable insurance products. John Vieira, in his individual capacity as a registered representative of Purshe Kaplan Sterling Investments, may also receive a portion of the 12b-1 mutual fund distribution fees paid by the mutual fund sponsor for as long as the client maintains the mutual fund investment. These 12b-1 fees are in addition to the Firm's annual advisory fee. In addition, John Vieira, Bryan Landadio, Benjamin Ostrove, Michael Kirkland, Maryanne Mitchell, Kristin Sanguino, Jake Higgins, Brad D'Alessandro, and Carli Piccolella are licensed insurance agents, in which capacities each of them receive compensation from the sale of insurance products.

The activities of Mr. Vieira, Mr. Landadio, Mr. Ostrove, Mr. Kirkland, Ms. Mitchell, Ms. Sanguino, and Ms. Piccolella as insurance product agents and Mr. Vieira's activities as a registered representative represent a conflict of interest. They each have an incentive to recommend to a client that the client purchase insurance products (and in the case of Mr. Vieira, variable insurance products) based on their ability to receive compensation from any such purchases, rather than based on a clients' needs. In an effort to address this conflict, it is firm policy that any such transactions are on terms that are acceptable for the industry and that those transactions must be suitable for the client's needs. No client is required to purchase such products through any of the firm's associated persons, and each client has the option to purchase those products through other brokers or agents that are not affiliated with the firm.

The firm's fees are in addition to any compensation that is paid to any of the firm's associated persons for the sale of the products referenced in this Item 5.B. The firm will not reduce its advisory fee to offset any such compensation.

## **B. General Information on Fees**

In the event of a termination of Personal CFO's services, Personal CFO's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner or in accordance with the terms of Personal CFO's Investment Advisory Agreement (if set forth therein).

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

Personal CFO does not charge performance based fees or engage in side by side management.

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

### **A. The Firm's Clients**

The firm's client base is comprised of individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, corporations and other businesses.

## **B. Requirements for Opening or Maintaining an Account**

### **1. Minimum Account Size or Annual Fee.**

Although Personal CFO does not impose a minimum account size or minimum annual fee, certain Independent Managers may impose more restrictive portfolio or account requirements and may have billing practices that vary from those imposed or utilized by Personal CFO. In such instances, Personal CFO may alter its corresponding account requirements and/or billing practices to accommodate those of such Independent Managers.

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

### **A. Methods of Analysis and Investment Strategies.**

#### **1. Methods of Analysis**

Personal CFO will utilize multiple sources including, but not limited to, Morningstar, Fidelity Advisor Solutions and other subscription services to receive timely and informative economic and market

information. At times, this information, if deemed extremely relevant or informative, may be passed along to clients as a courtesy.

## **2. Investment Strategy**

Personal CFO utilizes a primary strategy of long-term purchases and Independent Managers, but also considers utilizing short-term purchases for tactical purposes. Long-term purchases are typically those purchases of securities that are held for at least a year. Short-term purchases are typically those purchases of securities that are held for less than a year. Both long-term and short-term purchases include various risks, including the loss of principal due to market events. Where Personal CFO uses an Independent Manager, it is also indirectly employing the investment strategies used by that Independent Manager, which poses various risks including a lack of transparency and compliance risks associated with the Independent Manager used.

## **3. Risk of Loss**

All investments, including government debt, involve risk. Personal CFO does not guarantee the results of any of its advice or account management. Significant losses can occur from investing in securities, or by following any investment strategy, including those recommended or applied by Personal CFO. The financial markets may change, sometimes rapidly and unpredictably, and Clients (or Personal CFO acting on behalf of Clients) may not have the ability to avoid or prevent losses. Investing in securities involves risk of loss that each client should be prepared to bear.

Clients participating in Personal CFO Managed Portfolios should also be aware that their individual account results may not exactly match the performance of the Model Portfolios. Such variance is due to a number of factors including without limitation differences in trade prices, transaction fees, market activity, any restrictions they have imposed on their accounts, and the amount, and the timing of, deposits or withdrawals a Client makes to an account.

## **4. Related Risks**

The firm does not primarily recommend one type of security. Each security is subject to various risk such as market risks, inflation risks, currency risks, liquidity risks, financial risks and other general economic risks. There are also risks associated with various methods of analysis. The risks client's investments are subject to, include but are not limited to:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.



- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Technical Analysis Risk:* Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. Technical analysis posits that at any point in time the market price movements and patterns represent the collective judgments of likely millions of market participants and are the best source for predicting short- to mid-term price movements. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time. The firm uses technical analysis (i.e., the analysis of historical and current market data into its investment decisions) general for only for short term trading.
- *Cyclical Analysis Risk:* Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit. The firm uses cyclical analysis general for only for short term trading.
- *Model and Third Party Model Risk:* Some short to intermediate term investment strategies utilized may rely on third party models and predictions, which may include technical analysis and/ or market indicators, with regard to the performance of the markets or particular trading instruments. The information generated by these third party models, may not be accurate because of imperfections in the models, their deterioration over time, or other factors, such as the quality of the data input into the model, which involves the exercise of judgment. Even if the third party model functions as anticipated, it cannot account for all factors that may influence the prices of the investments, such as event risk. As market dynamics shift over time, a previously highly successful model often becomes outdated or inaccurate. There can be no assurance that the firm will be successful in obtaining and / or maintaining effective models or in identifying when its models are no longer effective (at least before substantial losses are incurred).
- *Exchange Traded Funds Risk (ETFs):* ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies and the market price for

a share of an ETF may fluctuate from the value of its underlying securities. Consequently, ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread”, which generally varies based on the ETF’s trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

- *Leverage Risk:* Leverage increases the potential magnitude of portfolio fluctuations. It magnifies investment risks and can exacerbate liquidity problems in market downturns. Leverage may also complicate a client's portfolio structure due to obligations to creditors and counterparties and it can increase the risk to a client or investment due to the actions of these parties. In particular, dependence on leverage creates the risk that the client will be unable to meet its obligations should access to credit become limited due to broader market conditions.
- *Non-investment or Cash Risk:* When holding cash as an investment, including U.S. Treasury bills and money market mutual funds the risk is losing ground to inflation and the opportunity cost of missing the returns available on other assets such as stocks or bonds. Some short term to intermediate term strategies utilized by the Firm may hold cash for periods of time while waiting to enter the market. The risk is that during this time the returns available if invested such as in stocks and bonds will be missed. In addition, you should be aware that money in money market funds usually is not insured. While such funds have rarely resulted in investor losses, the potential is always there.
- *Leveraged and Inverse ETFs, ETNs and Mutual Funds Risk:* Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual resetting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax efficient than more traditional ETFs, ETNs and mutual funds.
- *Tax Risks Related to Short Term Trading:* Clients should note that the Firm may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies.
- *Sector Rotation and Concentration Risks:* Because of their narrow focus, investments in one or limited sectors tend to be more volatile than investments that diversify across many sectors and companies. Client investments may be or become concentrated in a particular security, sector, limited sectors, industry, market, or country. Should such security, sector, limited sectors,

industry, market or country become subject to adverse financial conditions, the Clients' assets shall not be afforded the protection otherwise available through greater diversification of its investments.

- *Information Risk:* All investment professionals rely on research in order to draw conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third-parties) data and analyses. Even an advisor who says they rely solely on proprietary research must still collect data from third-parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the advisor to reach satisfactory investment conclusions.
- *Natural and Human Disruptions:* The value of Personal CFO's assets could be adversely affected in the event of a natural disaster, severe weather events, climate change, earthquakes, fires, war, terrorism, health pandemics and other public health crises.

With respect to the use of Independent Managers, such an Independent Manager may have had historical success, but such success does not guarantee any future success. In addition, as the firm does not select the underlying investments that may be used by such an Independent Manager, one or more Independent Managers used by the firm to manage the client's assets may purchase the same security, increasing the risk to the client if that security were to fall in value. Clients should review the Independent Managers disclosure documents for the investment risks for that manager and the underlying investments.

## **Item 9: Disciplinary Information**

Personal CFO does not have any information that is disclosable under this Item 9.

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

### **A. Other Registrations**

See the disclosure to Item 5 above concerning the registration of John Vieira as a representative of Purshe Kaplan Sterling Investments. In addition, John Vieira, Bryan Landadio, Benjamin Ostrove, Michael Kirkland, Maryanne Mitchell and Kristin Sanguino are licensed insurance agents, in which capacities each of them may receive compensation from the sale of insurance products.

The activities of Mr. Vieira, Mr. Landadio, Mr. Ostrove, Mr. Kirkland, Ms. Mitchell and Ms. Sanguino as insurance product agents and Mr. Vieira's activities as a registered representative represent a conflict of interest. They each have an incentive to recommend to a client that the client purchase insurance products (and in the case of Mr. Vieira, variable insurance products) based on their ability to receive compensation from any such purchases, rather than based on a clients' needs. In an effort to address this conflict, it is Firm policy that any such transactions are on terms that are acceptable for the industry and that those transactions must be in the best interest of the client. No client is required to purchase such products through any of the Firm's associated persons, and each client has the option to purchase those products through other brokers or agents that are not affiliated with the Firm.

The firm's personnel, through their individual capacities away from the firm may recommend that a client buy insurance, or in the case of John Vieira variable insurance products. Those sales may result in additional compensation being paid to the applicable personnel connected with that sale.

In addition, Mr. Vieira, as a registered representative of Purshe Kaplan Sterling Investments may also receive additional ongoing 12b-1 fees for mutual funds purchased or held by clients from the mutual fund company during the period that the client maintains the mutual fund investment. Compensation to Mr. Vieira from Purshe Kaplan Sterling Investments may be more or less depending on the product or service he recommends.

## **B. Independent Managers**

As Personal CFO recommends that its clients allocate investment assets on a discretionary basis to independent investment manager programs offered through one or more independent managers (the “Independent Manager”). In the event that an Independent Manager is utilized, the client will be required to execute a separate written agreement with the Independent Manager and will incur additional fees imposed directly by the Independent Manager. These agreements will entitle to Personal CFO to additional fees that it otherwise would not receive, thus advisors have an incentive to recommend Independent Managers. Clients are strongly encouraged to review the Independent Manager Advisory Agreement and the additional fees that they will be charged. For each investment style we sort the thousands of managers offered by Envestnet and on Morningstar by Alpha and Sharpe ratios and Performance. Once we have sorted these managers, we review up capture/down capture to ensure they qualify for further review. After we have prepared these screens we take the top twenty managers and begin additional analysis. We review the management style, length of tenure of the management team, consistency of the returns, the fees, the types of stocks/bonds they purchase as well as many other MPT statistics. It is at this point we narrow the list to just a few managers. We then compare this list of managers to the current list of managers we currently use in that investment style. If the manager looks like it is a good candidate, it is then brought to our investment committee. Our investment committee reviews the manager up for consideration and a vote is held. If the manager is approved, then it is added to the current list of managers we use. We use the same process to remove managers.

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

### **A. Code of Ethics**

Personal CFO has adopted a Code of Ethics pursuant to SEC Rule 204A-1, which serves to establish a standard of business conduct for all of the firm’s personnel based upon the fundamental principles of openness, integrity, honesty and trust. Personal CFO is a fiduciary and therefore has the responsibility to render professional, continuous, and unbiased investment advice. As a fiduciary, Personal CFO must act at all times in its client’s best interest and must avoid or disclose conflicts of interest. It is the purpose of Personal CFO’s Code of Ethics to emphasize and implement these fundamental principles within its operations.

Information concerning the identity of security holdings and financial circumstances of clients is to be confidential. Failure to comply with the Code of Ethics may result in disciplinary action, which may include termination of employment.

Personal CFO will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **B. Participation or Interest in Client Transactions**

Personal CFO does not recommend any securities in which it, or a related person, has a material financial interest.

### **C. The Purchase or Sale of the Same Securities as for the Client**

Personal CFO and Personal CFO personnel may purchase, sell, or hold the same securities for each of its and their own accounts as are purchased or sold for client accounts. These investment activities may present a conflict of interest in the sense that it is remotely possible that Personal CFO's personnel will benefit financially from a transaction effected for a client account, although the volume of such securities transactions have not and do not rise to the level where any transaction in the account of either the firm or any firm personnel has any appreciable impact on the market value of a security. Nonetheless, the firm believes that it has addressed this conflict of interest through its internal compliance policies. Initially, each such person will be required to report to the Chief Compliance Officer of Personal CFO his/her securities transactions during the preceding quarter in which she or he had a direct or indirect beneficial interest. The firm addresses these potential conflicts of interest by instituting a standard of business conduct for supervised persons. In addition, by prohibiting supervised persons from effecting certain securities transactions without obtaining pre-clearance from Personal CFO's Chief Compliance Officer and by reviewing personal securities transactions reports filed by supervised persons for potential conflicts of interest. Certain securities are added to a Watch list, which is updated quarterly, and supervised persons are expected to review prior to placing trades. Employees are generally not allowed to trade the securities on the watch list without prior approval. Lastly, Personal CFO requires that personnel act in accordance with applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to termination.

### **D. The Purchase or Sale of Same Securities at or About the Same Time as in a Client's Account**

Personal CFO, and/or any person related to Personal CFO, may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that Personal CFO or the person related to Personal CFO buys or sells the same securities for the account of Personal CFO or Personal CFO's related person. This presents a conflict of interest because Personal CFO or the related person may benefit financially as a result of transactions in that same security that occur in the client account. Similarly, the value of the security held in the client's account may be detrimentally impacted by transactions in that same security that occur in Personal CFO's account or the account of Personal CFO's related person. This conflict is addressed in the Code of Ethics, as "front-running" is expressly prohibited.

## **Item 12: Brokerage Practices**

### **A. Factors the Firm Considers in Selecting a Broker-Dealer**

#### **1. Selection Criteria**

Brokerage services for Personal CFO Managed Portfolios are provided exclusively by Fidelity Brokerage Services ("Fidelity"), including custody of the accounts in the Program. To participate in the Personal Portfolio Program, Clients must either open an account with Fidelity or transfer their existing Fidelity account into the Program. When selecting a broker and custodian for the Program, Personal CFO considered a number of factors including:

- Commissions and fees both in aggregate and on a per-share basis
- Ability to provide both transaction execution and asset custodial services
- Execution, clearance and settlement capabilities
- Trading capabilities including the ability to handle large block and volumes of trade
- Technology
- Responsiveness
- Quality of services

- Reputation

Personal CFO periodically reviews the quality of services provided by Fidelity, along with their policies and controls designed to, among other things, ensure compliance with applicable law. Clients should be aware that some other advisers may utilize multiple brokerages. Also, without the ability to use different brokerages, Personal CFO may at times be unable to achieve most favorable execution of Client transactions. Under such circumstances, trades may cost Clients more than they otherwise would have.

## **2. Research and Other Benefits**

Personal CFO does not engage in any “soft dollar” practices. Fidelity does provide Personal CFO with technology, software and other services to assist Personal CFO in managing and administering Clients’ accounts. These services, which may only indirectly benefit Clients, include without limitation:

- Applying Personal CFO branding to account statements and Client online interfaces;
- Ability to restrict tickers, based on reasonable restrictions imposed by the Clients; and
- Allocating Clients’ investments across multiple Model Portfolios.

## **3. Aggregation**

Where Personal CFO is able, Personal CFO will purchase or sell the same securities for several clients at approximately the same time. Personal CFO will do this in an effort to obtain “best execution”, to negotiate more favorable commission rates, or to allocate equitably among Personal CFO’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Personal CFO’s clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that Personal CFO determines to aggregate client orders for the purchase or sale of securities, including securities in which Personal CFO’s principals and/or associated persons may invest, Personal CFO shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Incorporated*. Personal CFO shall not receive any additional compensation or remuneration as a result of the aggregation.

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

Personal CFO’s client accounts are reviewed primarily by the Financial Advisor responsible for that client relationship. Oversight is provided by the three Managing Director’s: John Vieira, Bryan Landadio, and Patrick Nolan.

Client accounts/financial plans are reviewed on an ongoing process by the Financial Advisor. Whenever significant economic events, changes in market conditions, or important new developments arise concerning a security’s effect on the client’s account. Additionally, Clients are strongly encouraged to contact their Financial Advisor whenever they have a change in life circumstances, goals, risk tolerance, or any other event that may affect their investment needs. Financial Advisors will, every two years, contact ongoing investment advisory clients to review their accounts and update the Morningstar Risk Tolerance Questionnaire.

Clients receive written reports and confirmations of all transactions directly from the broker-dealer or custodian for the client accounts. Clients are urged to compare custodial statement with Personal CFO reports and rely solely upon the reports issued by the broker-dealer/custodian of the assets. Personal CFO also can provide reports to clients that include such relevant account and/or market-related information such as Net Worth Statements, Asset Details, Asset Allocations, Account Cash Flow Summaries, and Performance Summaries. Account Aggregate and X-Ray Reports from Morningstar can also be provided

at the Financial Advisor's discretion. Any such reports are provided as an accommodation only.

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

Personal CFO receives research and other benefits from Fidelity in connection with execution of client securities transactions. Please also see the discussion in Item 9 concerning compensation payable to the firm's personnel arising out of their activities as either registered representatives or insurance agents, and the discussion concerning the receipt of 12b-1 mutual fund distribution fees.

In addition, the firm has received additional monetary compensation from Fidelity Investment Brokerage Services to assist it with the initial tasks of establishing its business. Each client should be aware that the receipt of such compensation by the firm from Fidelity creates a conflict of interest since this benefit may influence the firm's choice of broker-dealer over another broker-dealer that does not furnish similar benefits. The firm believes that it has addressed the conflict because Personal CFO's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity, a particular broker-dealer or custodian as result of Personal CFO's receipt of such compensation. Personal CFO has not made any commitment to invest any specific amount or percentage of client assets in any specific Fidelity product as a result of Personal CFO receiving these benefits.

#### **Item 15: Custody**

The client's assets are maintained with a qualified custodian. The qualified custodian is authorized by the client to deduct and direct payment of Personal CFO's advisory fee directly from the client's custodial account. Personal CFO is deemed to have custody of client funds and securities where a client has a standing letter of authorization (SLOA) authorizing Personal CFO to initiate payment(s) to a third party and because we may deduct our portfolio management service fees from clients' custodial accounts. Each client will receive account statements directly from the qualified custodian on at least a quarterly basis. Each client should carefully review those statements. In the event that a client also receives an account statement from Personal CFO, each client is urged to compare the account statement they receive from the qualified custodian with the account statement they receive from Personal CFO, and to rely solely on the account statement received from the qualified custodian.

#### **Item 16: Investment Discretion**

Personal CFO's investment management services will be provided on a discretionary basis. As such, Personal CFO will be authorized to determine the securities to be bought or sold for the client's account(s), the amount of securities to be brought or sold, the timing of securities transactions and the broker or dealer to be used to execute client securities transactions.

Each client may request reasonable limitations be placed on Personal CFO's discretionary authority, such as securities or market-sector based limitations. Any such limitations shall be presented to Personal CFO in writing, and Personal CFO will review any such requests on a case-by-case basis.

Personal CFO's Investment Advisory Agreement, and the agreement between the client and the custodian/broker-dealer for the account, may grant discretionary authority to Personal CFO. The client's written agreement with the custodian also grants a limited power of attorney to Personal CFO to effect transactions in the client's custodial account.

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

Personal CFO does not vote client proxies for client accounts. Therefore, although Personal CFO provides investment advisory services relative to client investment assets, Personal CFO's 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, class or mass actions, legal actions or other events pertaining to the client's investment assets. Personal CFO and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. A client may contact Personal CFO with questions regarding a particular solicitation.

**Item 18: Financial Information**

Personal CFO does not have any financial condition to disclose that is reasonably likely to impair the ability of the firm to meet contractual commitments to clients.

**Item 19: Requirements for State-Registered Advisers**

This section is not applicable.