



# POST RESCH TALLON

## G R O U P

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### BROCHURE

February 20, 2024

This Brochure provides information about the qualifications and business practices of Post Resch Tallon Group, Inc. If you have any questions about the contents of this Brochure, please contact us at 585.249.1030 or toll-free at 800.877.4439 or send an email to [kpt@postsreschtallon.com](mailto:kpt@postsreschtallon.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. Post Resch Tallon Group is an investment adviser registered with the SEC. Registration does not imply a certain level of skill or training.

Additional information about Post Resch Tallon Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Item 2 Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update, which was filed in January 2022. While there have been no material changes to the firm's business since the last annual update, we have completely revised this Brochure. Accordingly, we recommend that any clients or prospective clients read it in its entirety.

## Item 3

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## Item 4 Advisory Business

Post Resch Tallon Group (“PRTG”, the “firm”, “we”, or “our”) has been in business since 2004. Its principal owners are John A. Post II and Kerry P. Tallon.

### Types of Advisory Services

We help our clients manage their investment goals and financial objectives through financial planning.

Someone comes in – provides info about assets, goals, situation. We do a financial plan if appropriate (but it may or may not be written). Based on that plan, we assist the client to open accounts as needed, and we manage the assets on a discretionary basis. We create the portfolio according to the client’s situation and needs.

We believe allocation as between asset classes is important. We use modern portfolio theory and common sense as our guidelines.

We provide a variety of investment advisory services, including portfolio management, investment consulting, life insurance, tax concerns, financial planning, retirement planning, college planning, and debt/credit planning. Our advice is tailored to the individual needs of the client based on the financial information and investment objectives communicated by the client.

### *Portfolio Management and Investment Advice*

We provide ongoing investment advice and management of client assets on a discretionary basis, which means that the client authorizes us to buy and sell securities as we deem appropriate without having to consult with the client in advance of specific transactions. We work with each client to ensure that we understand the client’s situation, including the client’s specific financial goals, investment objectives, income and expenses, assets and debts, risk tolerance, family circumstances that could impact expenses going forward, and time horizon. Based on this information provided by the client, we prepare an asset allocation plan. We manage the portfolios, monitor their performance and rebalance or reallocate assets as necessary.

We also provide asset management programs through arrangements with third party managers such as AssetMark, Inc., and SEI Investment Management Corp. Clients may provide us with discretionary authority to select and remove underlying third-party money managers. Under this type of arrangement, we do not have to receive your authorization to add or remove a money manager. When you do not grant discretionary authorization to select and remove third-party money managers, you must provide us and the custodian with written instructions to add or change a money manager.



We principally employ mutual funds, exchange traded funds (“ETFs”), listed securities, and debt securities. We sometimes also recommend options and private investments. Clients may request in writing that we not invest in certain securities or types of securities. We will honor clients’ requests if reasonably feasible; if not, we will discuss it with the client. The Firm reserves the right to refuse to open an account, to reject any requested restriction, or to terminate an account if the Firm believes, in its sole opinion, that the restrictions placed are impractical or would limit its abilities to manage the account effectively and prudently. Clients should also understand that the imposition of portfolio restrictions may affect performance of the affected portfolio(s), either positively or negatively.

#### *Financial Planning And Consulting Services*

We offer comprehensive reviews and assessments of the client’s present financial condition based on information provided by the client and prepare a summary of our recommendations. The recommendation report takes into account the client’s goals, objectives, and risk parameters. A financial plan can include all or some of the following areas.

- Net worth and cash flow evaluation
- Investment management
- Education planning
- Income tax and insurance planning
- Disability and retirement planning
- Estate planning issues
- Risk management (insurance)

Financial plans are not limited to products or services provided by any particular company. In general, however, we recommend only products and services that we are able to provide through the custodians we use. (For more information about the custodians, see Item 12, below.) Unless the client engages us to provide portfolio management, the implementation of financial plan recommendations is entirely at the discretion of the client.

We also provide consulting on a wide range of general financial issues not specifically related to financial planning or asset management, such as estate planning. These services are provided based on specific client needs and are described in a written agreement between the firm and the client.

#### *Retirement Plan Advisory Services*

We provide advisory services to assist retirement plan sponsors in meeting their management and fiduciary obligations to the participants under ERISA.

#### *Assets Under Management*

As of December 31, 2023, we manage approximately \$255,939,000 in assets, of which \$240,208,000 is managed on a discretionary basis, and \$15,731,000 is managed on a non-discretionary basis.



## Item 5 Fees and Compensation

### *Investment Supervisory Or Management Services*

The annual fee for investment supervisory or management services is generally a percentage of the client's assets under the firm's management. This is our standard fee schedule.

Account Value	Annual Advisory Fee
Up to \$ 199,999	1.45%
\$ 200,000 to \$ 499,999	1.25%
\$ 500,000 to \$ 999,999	1.00%
\$1,000,000 to \$1,999,999	0.90%
\$2,000,000 to \$4,999,999	0.75%
\$5,000,000 and above	0.60%

These fees are negotiable at the sole discretion of the firm. The fee to be charged each client will be stipulated within each client's advisory agreement and will apply to all assets within the portfolio or household (as defined in the agreement).

Assets included in clients' margin balances are included when calculating advisory fees. In other words, advisory fees are calculated on the value of the assets in the account, and not on the net liquidating value of the account. Clients who use margin should note that they will also pay margin interest on the same assets. Fees are billed in arrears.

We generally require clients to instruct the custodian to debit fees from the client's account. Clients are billed on a quarterly basis, in advance, based on the market value of the client's assets on the last day of each calendar quarter. For any client who engages the Firm during the quarter that is being billed, the investment advisory fee for the quarter of service is prorated from the inception date of the account(s) to the end of the quarter. For any client whose engagement with the Firm terminates during a quarter, the fee is assessed through and including the date of termination.

### *Financial Planning And Consulting Fees*

Fees are negotiated on a case-by-case basis. Financial planning is generally provided on a fixed fee basis. Consulting is generally provided on an hourly basis. The firm may require an advance retainer against which the fees will be billed. The fee arrangement is set forth in the client's agreement.

*Hourly Fees.* The firm's standard hourly rate is \$250 per hour. Fees are billed in 15-minute increments. Hourly fees will be billed monthly (in arrears) or upon completion of the services, as set forth in the agreement with the client.

*Fixed Fees.* Fixed fees are typically determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. If additional work is requested that goes beyond the original scope of the project, it may be billed on an hourly basis or a fixed price basis as negotiated. Fixed fees



will be invoiced at the conclusion of the analysis phase. Other limited planning services are billed monthly. Total costs for financial plans, whether per hour or on a fixed basis, generally range from \$500 to \$5,000 or more. If a contract is terminated prior to the service being delivered, we will bill the client for work completed. In the case of prepaid fees, we will provide a prorated refund based on the hourly rate of the individuals who provided services.

At the discretion of the firm, some or all of the financial planning and/or consulting fees may be waived or included in the investment management fees agreed upon with the client. Financial planning and consulting is not always billed separately.

#### *Retirement Plan Advisory Services Fees*

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1%, billed in arrears, based on the market value of assets under management at the end of the prior calendar quarter, pursuant to the terms of the agreement. Fees are negotiated depending on the size and complexity of the Plan.

#### *Other Fees*

In addition to our investment advisory fees, the client will pay all direct expenses incurred for the client or disbursements made on behalf of the client, including custodian's charges for commissions, transaction fees, asset-based custody fees, and all other fees described in the custodial agreement. Clients will also incur charges imposed by other third-parties in connection with certain investments, including mutual fund fees, confirmation fees, surcharges, fees charged by sub-account managers, contingent deferred sales charges on previously purchased mutual funds, clearing, custody and other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

Additional third-party fees can also include fees associated with the type of transaction (exchange versus purchase), method of placing the transaction (electronic vs. over the phone), and paper confirmation fees.

All mutual funds, including "no load" funds and exchange traded funds, incur transaction costs, expenses and other fees. Mutual funds typically charge ongoing fees and operating costs, including operating expenses, management fees, 12b-1 / servicing fees, and other expenses. These charges are deducted from the fund's assets, thereby reducing the shareholders' investment returns. Many mutual funds pay a portion of the marketing and distribution fees to broker-dealers, which in turn pay a portion of these fees to their representatives. Information about the fund's fees and expenses is contained in the fund Prospectus or in other documents such as the fund's Statement of Additional Information. Investors should request and read the fund's Prospectus before making an investment decision.

When purchasing mutual funds, choosing a share class is an important investment decision. Different share classes are charged different types and amounts of fees. Certain share classes can also be subject to restrictions on redemptions, or to "back end" charges that are assessed if the investor redeems his or her investment within a prescribed time period. The holders of higher-cost



share classes will pay higher fees, and will thus achieve lower investment return, than holders of lower-cost share classes of the same fund.

#### *Compensation for the Sale of Securities or Other Investment Products*

Broker-dealers and their representatives receive compensation when clients invest in certain classes of mutual funds. Depending on the share class, compensation could be a front-end sales charge (a commission), a concession from a mutual fund company, ongoing servicing fees (commonly known as “12b-1 fees” or “trails”), distribution fees, dealer fees, or a “back end” sales charge. The ongoing fees that broker-dealers and their representatives receive from the mutual fund company are based upon the amount of the client’s investment held with the fund.

Some people who provide advisory services on behalf of our firm are also registered with Cadaret, Grant & Co., Inc. (“Cadaret”), a broker-dealer registered with the SEC, and a member of FINRA. These individuals offer both investment advisory and brokerage services. When acting as registered representatives of the broker-dealer, these individuals receive commission on the purchase and sale of securities, including trail commissions on the sale of annuities, mutual funds and ETFs and a share of certain other fees paid to Cadaret on client transactions or holdings. Any compensation earned by these persons in their capacities as registered representatives of Cadaret is separate and in addition to our advisory fees. Clients are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

When recommending mutual funds, we will recommend the most appropriate mutual fund share class for your portfolio, based upon your individual circumstances (including whether you pay us an asset-based fee (“AUM Client”)), that is reasonably available through the custodian or clearing firm. These recommendations can include load and no-load funds. The expenses associated with each recommendation are discussed with the client prior to purchase.

We do not recommend that our advisory clients purchase share classes that pay commissions or 12b-1 fees. If clients pay 12b-1 fees or our representatives earn 12b-1 fees on their holdings, we apply the fees received as a credit toward these clients’ advisory fees.

Some of the people who provide investment advice on behalf of our firm are also licensed as insurance agents. These people will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these individuals are separate and in addition to our advisory fees. This practice presents a conflict of interest because they have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

#### GENERAL INFORMATION ON ADVISORY SERVICES AND FEES

*Fee Differentials.* As indicated above, the firm prices certain services based upon assets under management or other subjective factors, and fees are negotiable at the discretion of the firm. As a





result, any of our clients could pay fees that are higher or lower than the fees charged to other clients who have a similar market value of assets under our management, complexity of engagement, and/or level and scope of the services to be rendered. The services to be provided by our firm to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

*Margin.* The firm sometimes recommends that clients engage in margin transactions. We address this conflict of interest by generally refraining from recommending that clients use margin and by carefully ensuring that in the few instances when we recommend the use of margin, the recommendation is in the clients' best interest. Purchasing securities on margin amplifies potential returns and losses. Purchasing securities on margin can result in losses greater than a client's original principal. Clients and potential clients should carefully review disclosures regarding risks, fees, and other considerations appearing in margin account agreements prior to opening margin accounts.

*Termination.* All advisory agreements may be terminated upon written notice by either party at any time, or in accordance with any written advisory agreement. Upon termination, clients will receive refunds of any prepaid and unearned advisory fees (prorated for the balance of the billing period), or clients will be billed for any amount due. Any charges levied by the custodian or any third party after the termination of the advisory agreement will remain the client's responsibility and are not the responsibility of PRTG. We have no obligation to refund these fees to clients.

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

We do not charge performance-based fees or engage in side-by-side management.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organization, corporations, and other small business entities.

The firm does not require a minimum amount of assets for opening or maintaining an account.

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

### *Methods Of Analysis*

We use fundamental analysis, which involves the evaluation and interpretation of companies' or funds' financial data, the experience and expertise of the management, and the outlook of the industry/fund category, to assist in evaluating the true value of the companies' securities. Fundamental analysis carries with it the risk that publicly available company information may be inaccurate, and if the securities price adjusts quickly to market information, the value of the portfolio may decrease. This is why our investment strategies involve long term and short term purchases.

The main sources of information for security analysis include:



- Research from third party research firms such as Morningstar Principia (for mutual fund information), Charles Schwab & Co.'s "SchwabLink" service and Advisor Intelligence.
- Public records filed with the U.S. Securities and Exchange Commission
- Financial publications such as the Wall Street Journal, Barron's, and Bloomberg Business Week
- Company websites, annual reports, and other company specific public records
- Conference calls, and industry conferences that provide insight into the research of securities
- Public information collected from financial websites such as Yahoo! Finance and Google Finance

### *Investment Strategies*

Our investment process is based on the principles of asset allocation and diversification. We utilize a top-down approach in determining the asset allocation mix for your portfolio. (This means the asset allocation comes first and the security selection second.) Although diversification and asset allocation cannot guarantee a profit or assure against loss, we believe that this approach is the best way to optimize the potential returns for a given amount of estimated risk.

We develop an individualized asset allocation strategy for each client. Each strategy is updated periodically to reflect our outlook over the short to intermediate, and long-term for the economy and markets. Typically, we use multiple asset classes, including domestic stocks, foreign stocks and fixed income, among others. We determine the weighting for each asset class within each client's portfolio based on our assessment of the client's situation, investment objectives, risk profile, goals and needs, which are discussed at the outset of the relationship and during review meetings. Clients must notify us immediately of any changes to the client's financial situation, objectives, or tolerance of risk.

### *Risk of Loss*

All investing in securities involves risk of loss. Those risks include:

- Interest rate risk: The risk borne by an interest-bearing asset, such as a loan or a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.
- Market Risk: The risk that the price of a security may drop in reaction to market events. This type of risk is independent of risks associated with a security's particular underlying circumstances.
- Inflation Risk: The risk that a currency loses its purchasing power because of the rising price of goods and services.
- Currency Risk: The risk that arises from the change in price of one currency against another.
- Reinvestment Risk: The risk that a decline in interest rates will lead to lower income when bonds mature and funds are reinvested at a lower rate.
- Business Risk: The risk associated with a particular industry or a particular company with an industry.



- Liquidity Risk: The risk that an investment will not readily be converted into cash.
- Financial Risk: The increase in stockholder's risk, over and above the firm's basic business risk, resulting from the use of financial leverage (borrowing).

Clients also face the risk that securities that we choose for your portfolio may not perform as well as similar securities in the same industry or the stock/bond market in general. Different types of investments involve varying degrees of risk. Diversification and asset allocation do not guarantee profits or assure against loss. Past performance is never a guarantee of future results. No one should assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the firm) will be profitable or equal any specific performance level(s).

*Client Obligations.* In performing our services, we are not required to verify any information received from the client or from the client's other professionals, and we are expressly authorized to rely on that information. It is the client's responsibility to notify us promptly of any change in the client's financial situation or investment objectives. If the client does not provide this notice or information, we will not be in a position to perform an accurate review, evaluation or revision of our previous recommendations and/or services.

### **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

People who provide investment advice on behalf of PRTG are also registered representatives of Cadaret. Our employees who are registered representatives of Cadaret are permitted to place securities transactions for PRTG clients who maintain brokerage accounts through Cadaret. To the extent these individuals recommend brokerage transactions through Cadaret, they receive a percentage of the commission compensation paid to Cadaret on those transactions. These representatives receive a material amount of income from commissions and trailer fees on products purchased by our clients. Clients should be aware that this dual relationship creates a conflict of interest. We place our client's interest first as part of our fiduciary duty, and clients are under no obligation to execute trades through our personnel or through Cadaret.

Some representatives of PRTG are also licensed as insurance agents to sell life, disability, and long-term care insurance products for various insurance companies, and are therefore able to purchase life, disability and long-term care insurance products for any of our clients in need of those products. As licensed insurance agents, they will receive commission compensation on purchases of insurance products. Clients are under no obligation to purchase life, disability and long-term care insurance products from our personnel.



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

We have adopted a Code of Ethics (the “Code”) in compliance with SEC rule 204A-1. The Code sets forth guidelines for professional conduct for all supervised persons of PRTG. Our goal is to protect our clients’ interests and to comply with our fiduciary duties of honesty, good faith, and fair dealing with our clients, while at the same time allowing our employees to invest for their own accounts.

The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All supervised persons must acknowledge the terms of the Code annually and as amended. As individuals, PRTG representatives are permitted to invest in the same securities that we recommend, buy or sell for client accounts. When they do, we require that all personal securities transactions be conducted in accordance with our Code, which is designed to assure that personal securities transactions, activities, and interests of firm personnel do not interfere with making decisions in the best interest of advisory clients and implementing these decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires pre-clearance of many transactions, and restricts certain trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The firm regularly monitors employee trading to ensure that clients’ interests are protected in the event of any conflict of interest between PRTG employees and clients.

We will provide a copy of the Code to any client or prospective client upon request.

In addition, some associated persons of PRTG have attained the Certified Financial Planner® (“CFP”) designation issued by the Certified Financial Planner Board of Standards, Inc. Accordingly, they are also subject to the CFP Board’s Code of Ethics and Standards of Conduct, which is available on the CFP Board’s website, [www.cfp.net](http://www.cfp.net).

## **Item 12 Brokerage Practices**

### *The Custodians And Brokers We Use*

PRTG does not maintain actual custody of your assets, although we will be deemed to have custody of your assets if you give us authority to withdraw assets from your account. Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We generally recommend that our clients use Charles Schwab & Co., Inc., as custodian. Any client assets that are managed by a third party money manager (such as AssetMark or SEI) are held by a qualified custodian selected by that manager; details concerning the manager’s choice of custodian will be set forth in the manager’s disclosure Brochure, which will be provided to clients who use that manager. The choice of another custodian must be mutually agreed upon by both you and us. If we do not mutually agree upon a custodian, then we cannot manage your account. (We refer to a qualified



custodian as a “QC.”) PRTG is independently owned and operated and is not affiliated with any of these custodians.

Clients open their accounts by entering into an account agreement directly with the QC. We do not open the account for clients, although we generally assist clients in doing so. The QC will hold your assets in a brokerage account and buy and sell securities when we instruct them to. Even though your account is maintained at one of the QCs listed above, we are allowed to use other brokers to execute trades for your account as described below.

#### *How We Select Brokers/Custodians To Recommend To Clients*

We have selected the custodian/broker who will hold your assets and execute transactions on terms that we believe are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Availability of lowest cost share classes of mutual funds
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (“ETFs”), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

#### *Your Brokerage and Custody Costs*

The QC generally charges for its custody services either by charging you commissions or other fees on trades that it executes or that settle into your QC account, by accepting payment for order flow or rebates from the venues to which securities orders are routed, or by charging an asset-based fee.

In addition, a QC charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your QC account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we execute your trades at your QC. We have determined that having the QC execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.



### *Products and Services Available to Us From QCs.*

QCs provide us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. QCs also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. QCs' support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us. A detailed description of QCs' support services is included below.

Services That Benefit You. Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

Services That Do Not Directly Benefit You. Other products and services are available to us that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. This includes investment research that is both proprietary to the QC and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the QC. In addition to investment research, the QC also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us. QCs also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

The QC provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The QCs also discount or waive fees for some of these services or pay all or a part of a third party's fees. From time to time, each QC also provides us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in a QC's Services. The availability of these services benefits us because we do not have



to produce or purchase them. We don't have to pay for services so long as our clients collectively keep a minimum dollar amount of their assets in accounts at the QC. That minimum dollar amount varies with each QC. Beyond that, these services are not contingent upon our committing any specific amount of business to a QC in trading commissions or assets in custody. The applicable minimum gives us an incentive to recommend that you maintain your account with a particular QC, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. These are potential conflicts of interest. We believe, however, that our selection of the QCs listed above as custodians and brokers is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of services and not by the services that benefit only us.

Soft dollar benefits are not limited to those clients who have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to accounts that generate different amounts of soft dollar benefits.

#### *Trade Errors*

If we make a trade error and the trade error occurs in a client account, we will correct the error so the client's account does not suffer a loss. The client is generally not permitted to profit from the error, even if the correction results in a profit. For example, certain custodians keep all trade profits on an error regardless of how the error was caused.

#### *Block Trading and Trade Allocations*

When placing trades in the same security for multiple clients, some investment advisers "bunch," or aggregate, all client orders in that security into one transaction, and then allocate the order based on pre-determined (usually pro-rata) allocation. This ensures no client transaction is favored over another, as all transactions are executed at the same price. If the firm buys or sells exchange traded securities (as opposed to funds), the firm may "aggregate" or "block" purchases or sales of the same security for multiple accounts. Each account participating in the block will receive the average price if multiple executions are required to complete the order. The firm may block multiple client accounts together that qualify for prime brokerage trading activity. Participating clients will receive the average execution price and their pro rata share of transaction costs.

#### *Directed Brokerage*

In directing PRTG to use a specific custodian and/or broker/dealer (other than those recommended by us) clients should understand that we will not have the authority to negotiate commissions among various custodians or obtain volume discounts. This could also affect our ability to achieve best execution.





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

Each client is offered at least an annual account review of the client's portfolio. Additional reviews can be triggered by client request, by material market, economic or political events, or by changes in the client's financial situation (such as retirement, termination of employment, inheritance, etc.).

Each QC provides clients with written trade confirmations and monthly or quarterly account statements. In addition, clients are provided with portfolio and holdings reports and analyses during review meetings or upon request, and clients may elect to receive online access to consolidated portfolio reports and account information. Clients are urged to compare any reports provided by us to those received from the qualified custodian and report any unexplained differences to the firm and/or the qualified custodian, as appropriate, immediately.

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

We receive an economic benefit from QCs in the form of support products and services made available to us and to other independent investment advisors whose clients maintain accounts with the QC. These products and services, how they benefit us, and the related conflicts of interest, are described in Item 12, above. The availability to us of products and services is not based on our giving particular investment advice, such as buying particular securities, for our clients.

Additionally, discussed above, representatives of PRTG are also licensed insurance agents, and/or registered representatives of Cadaret. In their capacities as insurance agents or registered representatives, these individuals are paid separately for insurance sales and brokerage activities. For more information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We have no arrangements under which we or any of our employees are compensated by another person or entity for client referrals.

### **Item 15 Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct a QC to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. The QC maintains actual custody of your assets. You will receive account statements directly from the QC at least quarterly. They will be sent to the email or postal mailing address you provided to the QC. You should carefully review those statements promptly when you receive them.

### **Item 16 Investment Discretion**

We offer investment advisory services only on a discretionary basis, which means that we obtain written authorization from the client to select the identity, amount, and timing of securities to be bought or sold. The client's written authorization is in the advisory agreement with the firm.





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

We do not vote, or advise clients on how to vote, proxies for securities held in client accounts. The client maintains the authority and responsibility for voting proxies, as provided in the advisory agreement. Clients are permitted to contact us if they have questions about a particular solicitation.

### **Item 18 Financial Information**

This Item requires certain disclosures if the firm requires certain advance payments or has been the subject of a bankruptcy petition. The firm has no disclosures in response to this Item.