



**Item 1 - Cover Page**

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January 15, 2024

This Brochure provides information about the qualifications and business practices of Bridge Advisory LLC, herein after referred to as "Bridge Advisory" or "Bridge." If you have any questions about the contents of this Brochure, please contact us at 626-795-3062 and/or [info@bridgeadvisory.com](mailto:info@bridgeadvisory.com). 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.

Bridge Advisory is a registered investment adviser. The registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Bridge Advisory 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 page is to inform you of material changes since the last annual amendment to this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Bridge Advisory LLC (“Bridge Advisory” or “Bridge”) reviews and updates our brochure at least annually to confirm that it remains current. Below is a summary of the material changes Bridge Advisory made since the last amendment dated January 15, 2023.

- Bridge Advisory has a new Chief Executive Officer, Vanessa Burnett, who replaced David R. Penniall as the CEO. David R. Penniall will continue to be President of Bridge Advisory and Chairman of the Board.
- Bridge Advisory has a new Chief Investment Officer, Nicholas M. Colletta, who replaced David R. Penniall as the CIO.
- Bridge Advisory LLC., Wealth Manager and Business Partner Alex Leu, is no longer affiliated with Bridge Advisory LLC.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Warren Yee, Chief Compliance Officer at 626-795-3062 or [warren@bridgeadvisory.com](mailto:warren@bridgeadvisory.com). Our Brochure is also available free of charge on our web site [WWW.BRIDGEADVISORY.COM](http://WWW.BRIDGEADVISORY.COM).

Additional information about Bridge Advisory is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Bridge Advisory who are registered as investment adviser representatives of Bridge Advisory.

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## Item 4 - Advisory Business

Bridge Advisory LLC (hereinafter “Bridge Advisory” or the “Firm”) was originally established in May 2002 as Penniall & Associates, Inc. Bridge is the successor to Penniall & Associates, Inc. PHC, Inc. (hereinafter “PHC”) is the majority owner of Bridge Advisory. David R. Penniall, Chief Executive Officer of Bridge Advisory, is the primary owner of PHC and therefore Bridge Advisory. Bridge Sports Wealth is a division of Bridge Advisory LLC.

Bridge Advisory is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. This Brochure is offered to potential and existing clients to provide an understanding of the services the Firm provides, potential conflicts of interest and the experience and education of certain Bridge Advisory personnel. Individuals associated with Bridge Advisory will be involved with providing services to the Firm's clients. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of Bridge Advisory and are known as investment adviser representatives (“IARs”).

Please contact Warren Yee, Chief Compliance Officer, if you have any questions about this Brochure. Additional information about Bridge Advisory is available on the Internet 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. The CRD number for Bridge Advisory is 148282.

Bridge’s advisory business includes financial consulting services, asset management programs and advisory services to retirement plans and plan participants.

### I. Wealth Management Services

#### A. Consulting Services/Financial Planning

Financial Planning services include defining goals, needs and objectives; gathering and providing appropriate data; determining the results if no changes are made to the client/prospect’s current course of action; determining recommendations and possible changes to the current course of action; determining implementation responsibilities; and determining monitoring responsibilities. The non-investment related services provided by Bridge Advisory may include:

##### Financial Planning Services

- Perform an initial review of your current financial situation.
- Recommend solutions for streamlining and controlling finances.
- Coordination of bank and other financial industry relationships  
Budgeting & Cash Flow Management
- Provide tools to create and monitor a financial budget  
Tax Planning and Preparation Services
- Coordinate tax planning with qualified tax professionals
- Proactively implement sophisticated tax-minimization strategies in investment portfolios that we manage.
- Conduct reviews of prior year returns  
Estate Planning Services
- Present and implement wealth preservation and distribution strategies.
- Integrate estate planning strategies with income tax and investment strategies.
- Coordinate estate plan documentation with a qualified attorney  
Insurance Analysis and Risk Management
- Coordinate a review of all insurance policies and make recommendations for cost savings or additional coverage if considered necessary.

- Assist in the implementation of insurance recommendations with best practices for securing competitive rates.

Certain IARs of Bridge Advisory carry the Certified Financial Planner™ (CFP®) designation. CFP® certificants acknowledge their responsibility to adhere to the standards established in the CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by the CFP Board. The client is encouraged to review the information contained in this disclosure brochure and ask the certificant any questions they may have. Should any material changes occur to this information, updated information will be provided in a reasonable time frame. If you become aware that our conduct may violate the Standards, you may file a complaint with the CFP Board at [www.CFP.net/complaint](http://www.CFP.net/complaint).

## **B. Portfolio Management**

Bridge Advisory provides discretionary and non-discretionary portfolio management services to clients through the management of various portfolio Models ("Models") designed to meet the needs of Clients. The Models are provided through brokerage and custodial relationships maintained with qualified custodians.

The Model recommended to the client will be based upon the client's risk tolerance, time horizon, investment objectives and other relevant information provided by the client (collectively, "Financial Data"), subject to any reasonable written restrictions or guidelines that the client may provide, and Bridge Advisory may agree to. When implementing a Model portfolio, a Bridge Advisory IAR will obtain Financial Data from the client, assist in the selection of suitable investment objectives, and base the investment strategy on the most current Financial Data, specific goals, and situation of the client ("Investment Strategy"). Bridge Advisory will generally construct a portfolio for the client in their account(s) maintained with a qualified custodian ("Account") based on one of the Model portfolios. A Bridge Advisory IAR will contact the client periodically to review the client's financial situation and investment goals to determine whether changes to the Investment Strategy are warranted. Clients are advised to contact Bridge Advisory whenever their Financial Data changes or they want to impose and/or modify any reasonable restrictions on their Account.

Once the client has approved a specific Model Portfolio for their Account, Bridge Advisory will generally be granted discretionary authority to manage the client's Account and perform various functions without further approval from the client. Such functions include: (i) the determination of securities to be purchased/sold and the amount of securities to be purchased/sold in the client's Account; (ii) the ability to rebalance the securities in the Account according to the parameters of the Model Portfolio; (iii) selling and purchasing securities in the Account to harvest tax losses, if deemed appropriate under the circumstances; and (iv) selling securities and/or maintaining a cash balance in the Account to cover (1) margin calls, (2) debit balances, (3) checks drawn on the Account by the client, and (4) other fees reasonably expected to be incurred in connection with the Account or managing the Account, including Bridge Advisory's investment advisory fees. For non-discretionary accounts, Bridge Advisory will contact the client prior to executing any transactions.

Clients may engage Bridge Advisory to manage the client's participant account in an employer sponsored retirement plan. Bridge Advisory will manage the participant's account by matching investments available with the preferred asset classes within our Model Portfolios and will monitor and report on the accounts using our portfolio reporting software.

Clients may direct Bridge Advisory to maintain certain security positions in an Account; such securities may not be managed by Bridge Advisory ("Non-managed Securities") and may or may not be considered when managing the Model Portfolio for a client. Bridge Advisory will not have discretionary authority over the Non-managed Securities.

Bridge maintains five suites of Models. Their characteristics are outlined below:

1. **Strategic Portfolios** – The Strategic Portfolios are Bridge Advisory's proprietary asset allocation model portfolios, comprised of load-waived, no-load mutual funds and Exchange-traded Funds (“ETFs”). The Strategic Portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, moderate, growth and aggressive growth). The Strategic Portfolios maintain broadmarket exposure, scaled according to the appropriate risk levels with a long-term horizon. The Strategic Portfolio will take 3-5 market time horizons into account when dynamic asset allocation decisions in order to capture the business cycle or thematic trends.
2. **Strategic Income Portfolios** – The Strategic Income Portfolios are Bridge Advisory's proprietary asset allocation model portfolios which are focused on generating current income through the use of load-waived, no-load mutual funds and Exchange-traded Funds (“ETFs”). The Strategic Income Portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, moderate, growth and aggressive growth). The Strategic Income Portfolios maintain broad market exposure, scaled according to the appropriate risk levels with a long-term horizon and a focus on generating current income. It is possible but not guaranteed that this portfolio will sell out of the money options as part of a covered call strategy to generate current income and buy out of the money put options to protect downside risks.
- 3.) **Factor Portfolios** - The Factor Portfolios are Bridge Advisory's proprietary asset allocation model portfolios which are focused on allocating capital with exposure to various market factors (e.g., value, size, momentum, and quality). This portfolio is comprised of load-waived, no-load mutual funds and Exchange-traded Funds (“ETFs”). The Factor Portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, moderate, growth and aggressive growth). The Factor Portfolios maintain broad market exposure, scaled according to the appropriate risk levels with a long-term horizon.
- 4.) **Tactical Portfolios** – The Tactical Portfolios are Bridge Advisory's proprietary asset allocation model portfolios, comprised of load-waived, no-load mutual funds and Exchange-traded Funds (“ETFs”). The Tactical Portfolios are managed according to various risk tolerance levels (e.g., preservation of capital, conservative, balanced, growth and aggressive growth). The Tactical Portfolios are more contrarian in nature and exposure to various asset classes can be adjusted to reflect our current outlook, scaled according to the appropriate risk levels.
- 5.) **Bridge Stock Portfolio** – The Bridge Stock Portfolio is Bridge Advisory's proprietary individual equity model, comprised of individual equity securities. The Stock Portfolio is managed according to the nature and characteristics of the fundamentals of the companies that comprise the portfolio. The Portfolio is looking for the highest quality companies in its respective benchmark. The Portfolio uses a mixture of quantitative and qualitative factors to arrive at final portfolio construction. The Portfolio maintains focused market exposure and is long-term in nature.

## **II. Advisory Services to Retirement Plan Participants**

Bridge Advisory acts as a subcontractor to Retirement Wellness Group, LLC (“RWG”), an affiliated RIA, to provide various levels of advisory and consulting services to the participants (“Participants”) of employee benefit plans (“Plans”). The services are designed to assist plan sponsors (“Plan Sponsors”) in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income Securities Act (“ERISA”) and the Pension Protection Act of 2006 (“PPA”). Generally, investment advice provided to Plan Participants is also regulated under ERISA and the PPA. Bridge Advisory will provide services to Plan Participants as described below. Plan Sponsors must make the ultimate decision to retain RWG and Bridge Advisory for pension consulting and other advisory services including, but not limited to, services at the participant level. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

### **A. Standard Services**

#### **1. ERISA Non-Fiduciary Services**

- a) **Participant Education Services** – Bridge Advisory will conduct initial and/or periodic enrollment and informational meetings with employees and Participants and provide investment education. In accordance

with the Department of Labor's Interpretative Bulletin 96-1, Bridge Advisory may provide information about the Plan, general financial and investment information and materials relating to asset allocation models available through the Plan. Bridge Advisory may also provide interactive investment materials to assist Participants in assessing their future retirement income needs and the impact of different asset allocations on retirement income.

**b) Third Party Product or Service** - Bridge Advisory will not render individualized investment advice and will not be held to an ERISA fiduciary standard for services rendered hereunder.

## **B. Additional Services**

**1. Participant Advice** – Bridge Advisory will meet with Plan Participants that seek to engage Bridge Advisory for participant advice services to gather information concerning their retirement investments, time horizon, risk tolerance and investment goals. Bridge Advisory will review the information and generate point-in-time individualized investment advice that may include a recommendation to invest in a particular model portfolio, or percentages to be allocated among a number of the Plan's core.

investment options. Bridge Advisory will not provide recommendations on investments held outside of the plan unless they are an advisory client of Bridge Advisory, and the Plan Participant retains the sole responsibility to implement the recommendations and to update Bridge Advisory as to personal financial information. Bridge Advisory does not guarantee that the Plan Participants' investment objectives will be achieved. Participant advice shall be delivered as an ERISA Non-Discretionary Fiduciary Service.

**General Information about Plan Participant Services** - Fees for these services shall be: 1) on a flat fee basis, 2) on a percentage of a plan's assets, or 3) on a combination of these methods, as agreed to between RWG and the Plan Sponsor. RWG compensates Bridge Advisory directly for services provided to Plan Participants. Investment adviser representatives do not receive additional compensation to provide such services.

Advisory services provided to Plan Participants may be solely provided by investment adviser representatives of Bridge Advisory and/or RWG or in combination with third parties and their retirement plan services.

When we provide non-discretionary investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Securities Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The receipt of our advisory fee for making a recommendation creates a conflict of interest under ERISA/IRC with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. For example, if we recommend that you rollover assets from one retirement account to another and we will receive increased compensation as a result of that recommendation, we have a conflict that requires us to operate under this special rule.

## **III. Financial Institution Consulting Services**

Bridge Advisory may contract directly with and receive payments from broker/dealers, insurance companies, investment companies, and other registered investment advisers to provide investment advisory consulting services to the clients of those contracted financial institutions. Such contractual engagements do not include assuming discretionary authority over brokerage accounts or the monitoring of securities positions. Services offered to financial institution clients may include a general review of client investments holdings, which may or may not result in a Bridge investment adviser representative making specific securities recommendations or offering general investment advice.

## Total Assets Under Management - As of 12/31/2023

discretionary	\$430,274,631
non-discretionary	<u>\$22,430,582</u>
total	\$452,705,213

### Item 5 - Fees and Compensation

**Consulting Services/Financial Planning** – Clients can engage Bridge for financial consulting services that may be separate from advisory services for asset management. Financial consulting and planning services are offered on either a flat or hourly fee basis through Bridge Advisory. The Firm's flat fee typically ranges between \$5,000 and \$10,000 and its hourly fee is \$400. The type and amount of the fees charged to the client will be negotiated on a case-by-case basis and are predicted on the complexity and scope of services to be provided. An estimate of the total cost will be determined at the start of the advisory relationship and shall be clearly set forth in the agreement for services. Extraordinary research or analysis may involve additional costs, which will be negotiated on an individual basis prior to beginning such work.

In either case, Bridge Advisory requires that 50% of the fee be paid in advance, with the remaining portion due upon completion of the services rendered. Under no circumstances will Bridge Advisory require prepayment of a fee more than six months in advance and in excess of \$1,200, as services will be rendered within six months of receipt of payment.

The client may terminate the consulting agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the agreement by providing written notice to the other party. In the event there are any prepaid unearned fees, Bridge Advisory will promptly refund pro rata share to the client.

**Strategic Portfolios, Strategic Income Portfolios, Tactical Portfolio, Bridge Stock Portfolio and Factor Portfolios Fees** - The annual advisory fee for the Strategic and Tactical Portfolio models is subject to negotiation but is generally set based on the amount of assets under management with a maximum rate of 1% of assets under management.

The advisory fee is payable quarterly in advance and blended based on the assets under management. The advisory fee is calculated by applying the applicable advisory fee rate to the assets in each tier of the fee schedule. Bridge Advisory's investment adviser representatives have discretion to negotiate the client's fee within the above range, and the fee arrangement with each client will be fully disclosed in the Investment Management Agreement. Each client is required to enter into with Bridge Advisory.

The initial fee is payable when the Account is established, prorated for the first partial quarter, if any, and also for withdrawals and additions in excess of \$25,000 during a quarter. The prorated fees calculated for large intra-quarter flows are withdrawn from or credited to fee paying accounts in proportion to each account's respective percentage within the total managed portfolio. Thereafter, fees will be payable on the first day of each calendar quarter based on the asset value of the Account as of the last business day of the prior quarter plus withdrawals and additions in excess of \$25,000 during the quarter. Notwithstanding the foregoing, no advisory fees will be charged on any mutual funds, unit investment trusts or annuities transferred to the Account which were purchased within the past year if a commission was paid to an IAR of Bridge Advisory in their role as a registered representative of a broker-dealer with respect to such mutual fund, unit investment trust or annuity.

With client authorization, Bridge Advisory will instruct the custodian to automatically withdraw our advisory fee from the client's account. When it is deemed to be beneficial to the client or at the direction of the client, Bridge Advisory will master bill one account for advisory fees from other accounts that are managed. Qualified Plan clients may alternatively choose to pay by check. All clients will receive brokerage statements from the custodian no less



frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. Bridge Advisory will send an invoice to all clients who choose not to have advisory fees withdrawn directly from their custodian account. The invoice is payable upon receipt and will include the fee calculation and amount due.

When managing participant accounts in employer-sponsored retirement plans clients will have other accounts at Bridge Advisory where Bridge Advisory has the ability to withdraw fees. The fees for managing participant accounts will be billed from another Bridge Advisory account per the investment advisory agreement. Clients will receive an itemized billing statement upon request.

The client may terminate the investment management agreement (the "Agreement") within five days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the Agreement by providing written notice to the other party. In the event there are any prepaid unearned fees, Bridge Advisory will promptly refund a pro rata share to the client. Termination of the Agreement will not affect (i) the validity of any action previously taken by Bridge Advisory under the Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of the Agreement; or (iii) the client's obligation to pay Bridge Advisory fees that have already been earned under the Agreement. Upon the termination of the Agreement, Bridge Advisory will not have any continuing obligation to take any action.

Additional information about advisory fees, transaction fees, custodial fees, and other fees that may apply is contained in the Bridge Advisory Investment Management Agreement which the client is required to sign with Bridge Advisory.

Retirement Wellness Group (RWG) is a Registered Investment Advisory, RWG Management Agreement which the client is required to sign with Retirement Wellness Group.

#### **Other Fees –**

Advice offered by Bridge Advisory may involve investment in mutual funds and ETFs. Clients are advised that all fees paid to Bridge Advisory for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. This represents an additional layer of fees that impacts the investment returns. Further, there may be transaction charges involved with purchasing or selling of securities. Bridge Advisory does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by mutual funds and ETFs, Bridge Advisory, and others to fully understand the total amount of fees to be paid by the client.

**General Information on Advisory Services and Fees** - Although Bridge Advisory believes its advisory fees are competitive, lower fees for comparable services may be obtained from other sources. All fees are subject to negotiation.

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

### **SMA's**

A separately managed account ("SMA") is an individual managed account offered by Sponsor Firms through one of their Financial Advisors and managed by an independent investment management firm (the "investment manager" or "manager"). These programs typically offer a wide array of investment managers from which the client can choose. Third party separate account managers (each a "SAM;" collectively "SAMs") offer SMA's to Registered Investment Advisors and other Investment firms.

When a client (or a client's Sponsor Firm with discretion) selects an investment manager for an SMA, the client usually grants the investment manager full discretion (including trading discretion) over the account. With this authority, the manager directs trading activity in the account according to its investment process and securities selection discipline.

Trade discretion requires the investment manager to seek the best execution for trades executed in the SMA. Each SMA requires its own custodial account. As a result, a client who chooses to invest with multiple managers maintains multiple custodial accounts at the Sponsor Firm – one for each investment manager selected.

Based on Bridge Advisory's understanding of the clients' goals and needs, we will narrow the list of SMA's we believe are suitable down to 1 to 3 investment styles and explain the differences and recommend the client choose one.

When Bridge Advisory, LLC selects an SMA for a client account, Bridge Advisory LLC will supervise the SAMs and monitor their performance in managing Client's Assets. In accordance with our agreement with the SAM, we may terminate or change any SAM, in our sole discretion, if we believe such termination or change is in the Client's best interest.

Bridge Advisory does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

For more information about Bridge Advisory's trading policies, please see Item 12 of this Brochure.

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

Bridge Advisory offers personalized investment advisory services to individuals, trustee directed pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The Firm's services and fee arrangements are described in the proceeding pages.

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

### **A. Tactical Portfolios**

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

Bridge Advisory's recommendations and Model Portfolios will be based on internal analysis, research reports and third-party analysis, and other third-party technology-based tools to analyze the performance of mutual funds, exchange-traded funds, stocks, and bond. Representatives of Bridge Advisory may also utilize computer software programs provided by such third parties in providing this advice to clients. These portfolios may occasionally use option strategies to mitigate risk or enhance returns.

Bridge Advisory uses commercial software packages such as Orion, Morningstar, and Bloomberg in offering advisory services to its clients. Investing in securities involves risk of loss that clients should be prepared to bear.

The investment process employed by the Portfolio Manager and Investment Committee is a top-down, tactical asset allocation approach. The initial step in the process includes forming an overall perspective of the economy and the financial markets. The Portfolio Manager considers current economic and market conditions and develops an economic forecast that may impact markets in the future. The goal is to identify thematic trends, determine how those trends will impact our portfolios, and adjust our allocations accordingly to benefit from these trends. The development of an economic perspective is a dynamic process that is consistently revised based upon changes in the economy and financial markets.

The economic perspective and thematic trends help shape the asset allocation of each portfolio. Five major asset classes are included in most portfolios:

**Cash & Cash Equivalents** – money market and currency instruments, as well as short-term bonds or fixed-rate investments.

**Fixed Income** – domestic and international fixed income investments of intermediate and longer-term maturities with varying quality and duration characteristics.

**Domestic Equity** – a combination of domestic growth and value equity investments, ranging from small to large companies.

**International Equity** – a combination of international growth and value investments, ranging from small to large companies.

**Alternative Assets** – non-traditional investments such as precious metals, real estate, commodities, and natural resources that historically have exhibited a low correlation to stock and bond markets. The portfolios may also utilize inverse funds as hedges or offsetting positions.

The Investment Committee and Portfolio Manager determine the weightings of each asset class. These allocations may be underweighted or overweight their respective benchmarks based upon the current recommendations of the Portfolio Manager and Investment Committee.

The determination of individual investments for each asset class is generally based upon two criteria: a risk-based metric (typically standard deviation) and a performance-based metric (rate of return). These two critical components allow the Portfolio Manager and Investment Committee to focus on the conversion of beta (risk) into alpha (reward). If our outlook for a specific asset class is favorable, the investment selected will likely exhibit a higher level of risk. If our outlook is bearish, the holding selected will likely exhibit a lower level of risk.

Based upon the level of risk that is desired, an analysis is performed to determine which investment has historically achieved superior performance on a risk-adjusted basis.

## **2. Investment Strategies/Monitoring/Reporting**

The ongoing monitoring of the Model Portfolios involves a rigorous and disciplined process. Performance is presented to the Investment Committee on a regular basis.

**Versions of Portfolios** - To accommodate client portfolios of all sizes, the Portfolio Manager and Investment Committee have designed alternate versions of the model portfolios. The investment methodology and monitoring process in which these portfolios are managed is similar to the steps described above. The difference is in the number and type of investments that are utilized in these models (e.g., Mutual Funds versus ETFs). “Fund of fund” or multi-sector mutual funds that cover more than one specific asset class can be used. The overall broad allocations in these condensed portfolios are similar to the allocations of the full portfolios.

**Custom Portfolios** - To accommodate client portfolios with special situations, the Portfolio Manager and Investment Committee have developed a process to allow for customized versions of the model portfolios. Special situations would include tax issues, liquidity requirements, individual stock holdings and other personal considerations. The investment methodology and asset allocation of the custom portfolios are similar to the model portfolios. The primary difference is that the investments selected to represent each asset class may differ from the model portfolios. All managed employer sponsored retirement accounts will be customized portfolios based upon the available investments.

A second difference is in the monitoring of these custom portfolios. Since these portfolios are customized on an individual client basis, the performance will differ from the standard portfolios. On a quarterly basis, the performance of each custom portfolio will be compared to its corresponding model portfolio. For example, a custom Balanced portfolio will be compared to the performance of the standard Balanced portfolio. If the performance of the custom portfolio is within an acceptable range, no additional analysis will be deemed necessary. However, if the custom portfolio is outside an acceptable range, additional analysis will be performed to determine why the custom portfolio outperformed or under-performed the model portfolio. Changes to the allocations or individual holdings in the custom portfolio may be deemed necessary based upon this analysis.

## **B. Strategic Portfolios**

### **1. Methods of Analysis & Monitoring/Reporting**

Strategic Portfolios are proprietary asset allocation model portfolios, comprised of no-load mutual funds, exchange traded funds, closed-end funds, and individual equities. The portfolios are managed according to various risk tolerance levels such as but not limited to conservative, moderate, moderate aggressive types. The portfolios will use economic analysis, business cycle analysis, credit cycle analysis, geopolitical analysis, and analysis of thematic trends to make dynamic shifts with a 3–5-year time horizon. These portfolios may occasionally use option strategies to mitigate risk or enhance returns.

### **2. Investment Strategies/Monitoring/Reporting**

The ongoing monitoring of the model portfolios involves a rigorous and disciplined process. Performance is tracked on a monthly basis. In addition, a formal attribution analysis is prepared on a quarterly basis.

**Versions of Portfolios** - To accommodate client portfolios of all sizes, the Portfolio Manager and Investment Committee have designed alternate versions of the model portfolios. The investment methodology and monitoring process in which these portfolios are managed is similar to the steps described above. The difference is in the number and types of investments that are utilized in these models (e.g., Mutual Funds versus ETFs). “Fund of fund” or multi-sector mutual funds that cover more than one specific asset class can be used. The overall broad allocations in these condensed portfolios are similar to the allocations of the full portfolios.

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## **C. Investment Risk**

Bridge Advisory does not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

**Risk of Loss** - Investing entails risk of loss which the investor must be willing to bear. The programs will invest primarily in mutual fund shares which are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

**Asset Allocation** - Bridge Advisory’s ability to achieve its investment goal depends greatly upon the asset allocation mix and selecting underlying funds. There is the possibility that Bridge Advisory’s evaluations and assumptions regarding asset classes and underlying funds will not successfully achieve a high long-term total return in view of actual market trends. The core principle of asset allocation is diversification. Bridge Advisory relies

heavily upon diversification to minimize investment risk, but investment risk cannot be eliminated, and despite our best efforts, is oftentimes challenging to manage within a target range.

**Investing in Underlying Funds** - Bridge Advisory's investments are concentrated in the underlying mutual funds; therefore, the portfolio's performance is directly correlated to the performance of the underlying funds. The ability of the portfolios to achieve their investment goals is directly related to the ability of the underlying funds to meet their investment goals. In addition, investors will indirectly bear the fees and expenses of the underlying funds.

**Management** - The portfolios are subject to management risk because they are actively managed investment portfolios. Bridge Advisory will apply investment techniques and risk analyses in making investment decisions for the portfolios, but there can be no assurances that these decisions will produce the desired results.

## **C. Strategic Income Portfolios**

### **3. Methods of Analysis & Monitoring/Reporting**

Strategic Income Portfolios are proprietary asset allocation model portfolios, comprised of no-load mutual funds, exchange traded funds, closed-end funds, and individual equities. The portfolios are managed according to various risk tolerance levels such as but not limited to conservative, moderate, moderate aggressive types. The portfolios will use economic analysis, business cycle analysis, credit cycle analysis, geopolitical analysis, and analysis of thematic trends to make dynamic shifts with a 3–5-year time horizon. Strategic Income Portfolios will primarily focus on the generation of current income with a secondary focus on capital appreciation. These portfolios may occasionally use option strategies to mitigate risk or enhance returns.

### **4. Investment Strategies/Monitoring/Reporting**

The ongoing monitoring of the model portfolios involves a rigorous and disciplined process. Performance is tracked on a monthly basis. In addition, a formal attribution analysis is prepared on a quarterly basis.

**Versions of Portfolios** - To accommodate client portfolios of all sizes, the Portfolio Manager and Investment Committee have designed alternate versions of the model portfolios. The investment methodology and monitoring process in which these portfolios are managed is similar to the steps described above. The difference is in the number and types of investments that are utilized in these models (e.g., Mutual Funds versus ETFs). "Fund of fund" or multi-sector mutual funds that cover more than one specific asset class can be used. The overall broad allocations in these condensed portfolios are similar to the allocations of the full portfolios.

**Custom Portfolios** - To accommodate client portfolios with special situations, the Portfolio Manager and Investment Committee have developed a process to allow for customized versions of the model portfolios. Special situations would include tax issues, liquidity requirements, individual stock holdings and other personal considerations. The investment methodology and asset allocation of the custom portfolios are similar to the model portfolios. The primary difference is that the investments selected to represent each asset class may differ from the model portfolios. All managed employer sponsored retirement accounts will be customized portfolios based upon the available investments. A second difference is in the monitoring of these custom portfolios. Since these portfolios are customized on an individual client basis, the performance will differ from the standard portfolios. On a quarterly basis, the performance of each custom portfolio will be compared to its corresponding model portfolio. For example, a custom Balanced portfolio will be compared to the performance of the standard Balanced portfolio. If the performance of the custom portfolio is within an acceptable range, no additional analysis will be deemed necessary. However, if the custom portfolio is outside an acceptable range, additional analysis will be performed to determine why the custom portfolio outperformed or under-performed the model portfolio. Changes to the allocations or individual holdings in the custom portfolio may be deemed necessary based upon this analysis.

## **D. Investment Risk**

Bridge Advisory does not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

**Risk of Loss** - Investing entails risk of loss which the investor must be willing to bear. The programs will invest primarily in mutual fund shares which are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

**Asset Allocation** - Bridge Advisory's ability to achieve its investment goal depends greatly upon the asset allocation mix and selecting underlying funds. There is the possibility that Bridge Advisory's evaluations and assumptions regarding asset classes and underlying funds will not successfully achieve a high long-term total return in view of actual market trends. The core principle of asset allocation is diversification. Bridge Advisory relies heavily upon diversification to minimize investment risk, but investment risk cannot be eliminated, and despite our best efforts, is oftentimes challenging to manage within a target range.

**Investing in Underlying Funds** - Bridge Advisory's investments are concentrated in the underlying mutual funds; therefore, the portfolio's performance is directly correlated to the performance of the underlying funds. The ability of the portfolios to achieve their investment goals is directly related to the ability of the underlying funds to meet their investment goals. In addition, investors will indirectly bear the fees and expenses of the underlying funds.

**Management** - The portfolios are subject to management risk because they are actively managed investment portfolios. Bridge Advisory will apply investment techniques and risk analyses in making investment decisions for the portfolios, but there can be no assurances that these decisions will produce the desired results.

## **D.) Factor Portfolios**

### **5. Methods of Analysis & Monitoring/Reporting**

Factor Portfolios are proprietary asset allocation model portfolios, comprised of no-load mutual funds, exchange traded funds, closed-end funds, and individual equities. The portfolios are managed according to various risk tolerance levels such as but not limited to conservative, moderate, moderate aggressive types. The portfolios will use economic analysis, business cycle analysis, credit cycle analysis, geopolitical analysis, and analysis of thematic trends to make dynamic shifts with a 3–5-year time horizon. Factor Portfolios will primarily focus on capital appreciation through tilts towards specific, academically established market factors such as value, size, quality, and momentum.

### **6. Investment Strategies/Monitoring/Reporting**

The ongoing monitoring of the model portfolios involves a rigorous and disciplined process. Performance is tracked on a monthly basis. In addition, a formal attribution analysis is prepared on a quarterly basis.

**Versions of Portfolios** - To accommodate client portfolios of all sizes, the Portfolio Manager and Investment Committee have designed alternate versions of the model portfolios. The investment methodology and monitoring process in which these portfolios are managed is similar to the steps described above. The difference is in the number and types of investments that are utilized in these models (e.g., Mutual Funds versus ETFs). "Fund of fund" or multi-sector mutual funds that cover more than one specific asset class can be used. The overall broad allocations in these condensed portfolios are similar to the allocations of the full portfolios.

**Custom Portfolios** - To accommodate client portfolios with special situations, the Portfolio Manager and Investment Committee have developed a process to allow for customized versions of the model portfolios. Special situations would include tax issues, liquidity requirements, individual stock holdings and other personal considerations. The investment methodology and asset allocation of the custom portfolios are similar to the model portfolios. The

primary difference is that the investments selected to represent each asset class may differ from the model portfolios. All managed employer sponsored retirement accounts will be customized portfolios based upon the available investments. A second difference is in the monitoring of these custom portfolios. Since these portfolios are customized on an individual client basis, the performance will differ from the standard portfolios. On a quarterly basis, the performance of each custom portfolio will be compared to its corresponding model portfolio. For example, a custom Balanced portfolio will be compared to the performance of the standard Balanced portfolio. If the performance of the custom portfolio is within an acceptable range, no additional analysis will be deemed necessary. However, if the custom portfolio is outside an acceptable range, additional analysis will be performed to determine why the custom portfolio outperformed or under-performed the model portfolio. Changes to the allocations or individual holdings in the custom portfolio may be deemed necessary based upon this analysis.

## **E. Investment Risk**

Bridge Advisory does not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

**Risk of Loss** - Investing entails risk of loss which the investor must be willing to bear. The programs will invest primarily in mutual fund shares which are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

**Asset Allocation** - Bridge Advisory's ability to achieve its investment goal depends greatly upon the asset allocation mix and selecting underlying funds. There is the possibility that Bridge Advisory's evaluations and assumptions regarding asset classes and underlying funds will not successfully achieve a high long-term total return in view of actual market trends. The core principle of asset allocation is diversification. Bridge Advisory relies heavily upon diversification to minimize investment risk, but investment risk cannot be eliminated, and despite our best efforts, is oftentimes challenging to manage within a target range.

**Investing in Underlying Funds** - Bridge Advisory's investments are concentrated in the underlying mutual funds; therefore, the portfolio's performance is directly correlated to the performance of the underlying funds. The ability of the portfolios to achieve their investment goals is directly related to the ability of the underlying funds to meet their investment goals. In addition, investors will indirectly bear the fees and expenses of the underlying funds.

**Management** - The portfolios are subject to management risk because they are actively managed investment portfolios. Bridge Advisory will apply investment techniques and risk analyses in making investment decisions for the portfolios, but there can be no assurances that these decisions will produce the desired results.

## **E.) Bridge Stock Portfolio**

### **7. Methods of Analysis & Monitoring/Reporting**

Bridge Stock Portfolios consist of carefully selected individual equity securities, representing the highest quality companies within the indices tracked by our manager. These portfolios typically consist of 20 to 40 individual equity securities.

Our investment approach begins by considering the entire index, followed by a rigorous screening process that employs proprietary criteria based on fundamental factors. This process allows us to narrow down the investment universe to only include companies that meet our stringent criteria.

Subsequently, each company that successfully passes the screening undergoes a thorough and comprehensive fundamental analysis.

Finally, our manager conducts qualitative assessments on each company, evaluating factors such as competitive advantage (MOAT), management quality, and other relevant variables. This meticulous approach ensures that only the most promising investment opportunities are included in our portfolios. Investment Strategies/Monitoring/Reporting

The ongoing monitoring of the model portfolios involves a rigorous and disciplined process. Performance is tracked on a monthly basis. In addition, a formal attribution analysis is prepared on a quarterly basis.

**Versions of Portfolios** – There is only one version of the portfolio that is supported.

**Custom Portfolios** - To accommodate client portfolios with special situations, the Portfolio Manager and Investment Committee have developed a process to allow for customized versions of the model portfolios. Special situations would include tax issues, liquidity requirements, individual stock holdings and other personal considerations. The investment methodology and asset allocation of the custom portfolios are similar to the model portfolios. The primary difference is that the investments selected to represent each asset class may differ from the model portfolios. All managed employer sponsored retirement accounts will be customized portfolios based upon the available investments. A second difference is in the monitoring of these custom portfolios. Since these portfolios are customized on an individual client basis, the performance will differ from the standard portfolios. On a quarterly basis, the performance of each custom portfolio will be compared to its corresponding model portfolio. For example, a custom Balanced portfolio will be compared to the performance of the standard Balanced portfolio. If the performance of the custom portfolio is within an acceptable range, no additional analysis will be deemed necessary. However, if the custom portfolio is outside an acceptable range, additional analysis will be performed to determine why the custom portfolio outperformed or under-performed the model portfolio. Changes to the allocations or individual holdings in the custom portfolio may be deemed necessary based upon this analysis.

#### **F. Investment Risk**

Bridge Advisory does not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

**Risk of Loss** - Investing entails risk of loss which the investor must be willing to bear. The programs will invest primarily in mutual fund shares which are not deposits or obligations of, or guaranteed or endorsed by, any bank, and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency of the U.S. government.

**Asset Allocation** - Bridge Advisory's ability to achieve its investment goal depends greatly upon the asset allocation mix and selecting underlying funds. There is the possibility that Bridge Advisory's evaluations and assumptions regarding asset classes and underlying funds will not successfully achieve a high long-term total return in view of actual market trends. The core principle of asset allocation is diversification. Bridge Advisory relies heavily upon diversification to minimize investment risk, but investment risk cannot be eliminated, and despite our best efforts, is oftentimes challenging to manage within a target range.

**Investing in Underlying Funds** - Bridge Advisory's investments are concentrated in the underlying mutual funds; therefore, the portfolio's performance is directly correlated to the performance of the underlying funds. The ability of the portfolios to achieve their investment goals is directly related to the ability of the underlying funds to meet their investment goals. In addition, investors will indirectly bear the fees and expenses of the underlying funds.

**Management** - The portfolios are subject to management risk because they are actively managed investment portfolios. Bridge Advisory will apply investment techniques and risk analyses in making investment decisions for the portfolios, but there can be no assurances that these decisions will produce the desired results.

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



Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bridge Advisory or the integrity of Bridge Advisory's management. Bridge Advisory and its management personnel have no legal or material disciplinary events applicable to this Item.

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

Bridge Advisory is majority owned by PHC, Inc. ("PHC"). David Penniall is the majority owner of PHC.

Bridge Advisory LLC refers retirement plans to Retirement Wellness Group. Fees for these services are separate and apart from the fees Bridge Advisory charges for advisory services. See **Item 5** for further clarification on how fees can be paid to both Bridge Advisory and RWG.

Bridge Advisory, LLC owns 100% of Addwealth, LLC ("Addwealth"). Addwealth is an RIA registered with the State of California. Addwealth is an affiliate of Bridge Advisory and acts as a referral source for Bridge Advisory whereby Bridge Advisory will share a portion of fees with Addwealth for such referrals. The sharing of fees does not increase the fees Bridge Advisory charges for advisory services.

Bridge Advisory has an affiliated insurance agency, Penniall Management, LLC, a licensed insurance agency which transacts group and individual insurance plans as well as employee benefits and annuities. Penniall Management, LLC, is owned 50% by PHC, with the remaining ownership held by David Penniall and Dennis Grant directly, the owners of PHC. Insurance activities are also conducted under the name Penniall Insurance Services. Certain associates of Bridge Advisory are also licensed as insurance agents/brokers through Penniall Management, LLC, or various insurance companies. As licensed insurance agents/brokers, these associates may offer insurance products to advisory clients and receive normal and customary commissions if a client makes a purchase. This presents a conflict of interest between Bridge Advisory Associates and the client because these associates may have an incentive to recommend insurance products as a result of the commission. When recommending commissionable products to advisory clients, we have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether we are receiving a commission on the product. Clients are under no obligation to act on any insurance recommendations or place any transactions through these insurance agents/brokers if they decide to follow their recommendations.

David Penniall owns a non-controlling interest in AWM Capital, LLC ("AWM"). AWM is an RIA registered with the SEC.

David Penniall is an owner of Paragon Sports International, LLC. Paragon Sports International, LLC, is a related entity that acts as a baseball agency and provides representation services. Fees for these services are separate and apart from the fees Bridge Advisory charges for advisory services.

Bridge Advisory also maintains professional relationships with other unaffiliated firms and may have paid or unpaid referral arrangements with these firms. See **Item 14** for additional information.

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

Bridge Advisory or individuals associated with the Firm may buy or sell for their personal account(s) investment products identical to those recommended to clients. In addition, a related person may have a position in a certain security or securities which may also be recommended to the clients.

In some instances, these situations may create either actual or perceived conflicts of interest. As such, Bridge Advisory has established the following restrictions:

A director, officer or IAR shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with Bridge Advisory, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients.

Bridge Advisory and its employees may not participate in private placements or initial public offerings (IPOs)

without pre-clearance from the Firm's Compliance Officer.

Bridge Advisory respects the right of clients to specify investment objectives, guidelines, and/or conditions/restrictions on the overall management of their accounts.

Records will be maintained of all securities or insurance products bought or sold by the Firm, associated persons of the Firm and related entities. A principal of Bridge Advisory, or a qualified representative of the Firm, reviews these records on a quarterly basis.

Bridge Advisory requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to termination. The

full text of the Firm's Code of Ethics is available to you upon request.

In accordance with Section 204-A of the Investment Advisers Act of 1940, Bridge Advisory also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with Bridge Advisory.

It is Bridge Advisory's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Bridge Advisory will also not cross trade between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

**Privacy Policies** - The Firm views protecting its customer's private information as a top priority and, pursuant to the requirements of the federal Gramm Leach Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.

The Firm does not disclose any non-public information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client's account, the Firm may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers. The Firm may also share client information where the client is receiving services from entities with which Bridge Advisory has a referral relationship (see **Item 14**).

The Firm restricts internal access to nonpublic personal information about the client to those associated persons of the Firm who need access to that information in order to provide services to the client. It is the Firm's policy to never sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of the customer or as required by law.

Bridge Advisory's clients or prospective clients may request a copy of the Firm's Privacy Policies by contacting Warren Yee, [Warren@bridgeadvisory.com](mailto:Warren@bridgeadvisory.com) or 626-795-3062.

## Item 12 - Brokerage Practices

**Aggregation of Purchases or Sales:** There are occasions on which portfolio transactions may be aggregated to purchase or sell the same security for numerous accounts served by our Firm. Although such aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that doing so will be in the best interest of the effected accounts. When such aggregations occur, the objective is to allocate the executions in a manner which is deemed equitable to all of the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

**The Custodian and Brokers We Use:** Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Schwab Advisor Services (“Schwab”), Fidelity Institutional (“Fidelity”), as the qualified custodian. Schwab, and Fidelity are FINRA-registered broker-dealers, members of SIPC. We are independently owned and operated and not affiliated with Schwab, Fidelity. Schwab, Fidelity will hold your assets in a brokerage account and buy and sell securities when we/you instruct them to. While we recommend that you use Schwab, Fidelity as a custodian/broker, you will decide whether to do so and open your account with Schwab, Fidelity by entering into an account agreement directly with them. We do not open an account for you. Even though your account is maintained at Schwab, Fidelity, we can still use other brokers to execute trades for your account, as described below.

There is no requirement that a client use such a broker as Bridge Advisory recommends. However, by directing brokerage you may be unable to achieve the most favorable execution of client transactions, and this practice may cost clients more money. Additionally, Bridge Advisory reserves the right to not accept a client account if the client wishes to select a broker or dealer other than Fidelity or Schwab.

**How We Select Brokers/Custodians:** We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Availability of investment research and tools that assist 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 them.
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab)

**Your Custody and Brokerage Costs:** For our clients’ accounts that Schwab, , Fidelity maintain, Schwab, Fidelity generally do not charge you separately for custody services but are compensated by charging you commissions/trading fees or other fees on trades that it executes or that settle into your account. The commissions/trading fees may be different for each qualified custodian. Schwab and Fidelity commission rates applicable to our client accounts were negotiated based on our commitment to maintain a certain level of our clients’ assets in accounts at each respective custodian. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to the commissions, Schwab, Fidelity may charge 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 account. These fees are in addition to the commissions or other compensation you may pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab, Fidelity, execute most trades for your account.

Bridge Advisory seeks to ensure that our client’s accounts receive the best overall execution for securities transactions from Schwab, and Fidelity by continuing to monitor and review the best execution capability of each custodian. When assessing the best execution capability, Bridge Advisory will consider the following factors: quality of overall execution services provided by the broker-dealer; promptness of execution; provided dedicated telephone lines; creditworthiness and business reputation of the broker-dealer; research (if any) provided by the broker-dealer; and overall execution quality among other factors. To the extent that Schwab, Fidelity best execution capability does not appear to meet the quality of best execution on a consistent basis, Bridge Advisory would look to remove and replace such a custodian. With respect to best execution and mutual funds with multiple share classes, Bridge Advisory will review a client’s unique circumstances to make sure the share class selected is in the client’s best interest and the total cost to the client is the lowest possible given the unique circumstances of the client.

**Products and Services Available to Us from Schwab, Fidelity:** There is no direct link between Bridge Advisory's participation in these custodians’ programs and the investment advice it gives to its clients, although Bridge Advisory receives economic benefits through its participation in the program that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and/or practice management products or services provided to Bridge Advisory by third party vendors. The custodians may also pay for business consulting and professional services received by Bridge Advisory's related persons and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) for Bridge Advisory personnel to attend conferences or meetings relating to the program or to Schwab’s advisor custody and brokerage services. Some of the products and services made available may benefit Bridge Advisory but may not benefit our client accounts. These products or services may assist us in managing and administering our client accounts. Other services made available are intended to help us manage and further develop its business enterprise. The benefits received by Bridge Advisory or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to the respective custodians.

Clients should be aware, however, that the receipt of economic benefits by Bridge Advisory or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Bridge Advisory's recommendation of a custodian for custody and brokerage services.

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

**Account Reviews** – Managed accounts will be reviewed internally on a regular basis and rebalanced as required. For non-qualified accounts, the Firm may tax harvest at any time on an as needed basis. Reviews are conducted by IARs of the Firm.

Unusual economic, industry or individual investment developments may trigger a review. Changes in a client's situation, such as investment goals, financial position, marriage, divorce, death, change in employment, birth of a child, retirement, etc. may also trigger the need for additional reviews.

**Account Reporting** - All investment management services clients receive statements from their custodians on either a monthly or quarterly basis. These reports will show the current market values and transactions during the past month or quarter as well as interest, dividends, and capital gains for the reporting period.

Bridge Advisory generally provides clients with quarterly performance reports of their Tactical Portfolios, Strategic Portfolios and Customized versions of the aforementioned Portfolios. Reports may not be provided to clients whose accounts are not charged fees (courtesy accounts) or who have customized portfolios, or as agreed upon with the client.

Bridge Advisory may also provide financial planning clients with annual updates of their financial situation, as agreed upon with the client.

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

Certain advisors of Bridge Advisory may receive commissions for offering insurance products. These activities and affiliations are discussed in **Item 10**.

Occasionally, Bridge Advisory will send a thank you gift -- i.e., a bottle of wine or gift basket -- to an individual or company for an advisory client referral.

**Compensation for Client Referrals** - Bridge Advisory may refer clients to unaffiliated professionals for a variety of services, and in turn, these professionals may refer clients to Bridge Advisory. Bridge Advisory does pay monetary compensation based on referrals from unaffiliated providers. This presents a conflict, in that Bridge Advisory has an incentive to recommend the services of firms who refer clients to Bridge Advisory. Bridge Advisory only refers clients to professionals it believes are competent and qualified in their field; however, it is ultimately the client's responsibility to evaluate the provider. Clients are under no obligation to purchase any products or services through these professionals, and Bridge Advisory has no control over the services provided by another firm.

Clients who choose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by Bridge Advisory. Bridge Advisory does not share information with an unaffiliated provider unless first authorized by the client.

Brumm Financial Services, LLC ("BFS") serves as a Solicitor to Bridge Advisory under SEC Rule 206(4)-1. Bridge Advisory will share with BFS a portion, up to 40%, of Advisory Fees collected from clients referred by BFS to Bridge Advisory. The payment to BFS does not affect the Advisor Fees charged by Bridge.

Affiliates of Bridge act as a Solicitor to Bridge under SEC Rule 206(4)-1. Bridge Advisory will share with its Affiliates a portion, up to 30%, of the Advisor Fees collected from clients referred to Bridge Advisory. The payment to Affiliates does not affect the Fees charged by Bridge.

#### **Item 15 - Custody**

Bridge Advisory is deemed to have constructive custody under the SEC Custody Rule due to Bridge Advisory obtaining certain clients' online credentials to access their employer sponsored retirement plan so Bridge Advisory can monitor and manage their plan assets. Bridge Advisory does not take physical custody of client accounts and assets. A qualified custodian maintains actual custody of client assets.

Bridge Advisory is subject to annual surprise audits by an independent accounting firm in compliance with the SEC Custody Rule. The accountant will examine accounts and assets for which Bridge Advisory has constructive custody and file a certificate with regulators promptly following each audit.

Bridge Advisory is also deemed to have custody of your assets if you authorize us to instruct a qualified custodian to deduct our advisory fees directly from your account. Bridge Advisory does not take physical custody of client accounts and assets. A qualified custodian maintains actual custody of client assets. You will receive account statements directly from the qualified custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian.

Bridge Advisory urges you to carefully review the statements you receive from your qualified custodian and compare them to the periodic reports you receive from Bridge Advisory. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 - Investment Discretion**

Bridge Advisory usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Clients grant Bridge Advisory discretionary authority in the contracts they sign. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Bridge Advisory observes the investment policies, limitations, and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Bridge Advisory in writing.

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

Clients will make all of the decisions regarding corporate actions and the exercise of proxy voting rights with respect to the securities held in the client's account. Bridge Advisory does not have authority over and specifically disclaims responsibility for voting proxies for securities in client accounts.

Bridge Advisory may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights. Clients may call us if they have questions about a particular solicitation. Bridge Advisory will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

### **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Bridge Advisory's financial condition. Bridge Advisory has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.