



**Part 2A of Form ADV: *Firm Brochure***  
**Pilotage Private Wealth AG**

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This brochure provides information about the qualifications and business practices of Pilotage Private Wealth AG. If you have any questions about the contents of this brochure, please contact us at +41 43 508 17 17 or [arba.kasapi@pilotage.ch](mailto:arba.kasapi@pilotage.ch). 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. Pilotage Private Wealth AG is a registered investment adviser. Registration does not imply any particular level of skill or training.

Additional information about Pilotage Private Wealth AG also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 169908.

## **Item 2 MATERIAL CHANGES**

The following material changes have occurred since the last update of this brochure on March 28, 2023.

Item 4 was amended to reflect the change in Chief Operating Officer and Chief Compliance Officer from Peter Hottinger to Arberia Kasapi.

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## **Item 4      ADVISORY BUSINESS**

Pilotage Private Wealth AG (hereinafter “PPW” or “firm” or “we”) is an SEC-registered investment adviser with its principal place of business located in Zürich, Switzerland. PPW began conducting business as a registered investment adviser in 2014. Yann Rousset is the principal owner of PPW. (For purposes of this Brochure, principal ownership means control of 25% or more of an entity). Yann Rousset is Chief Executive Officer and Arberia Kasapi is Chief Operating Officer and Chief Compliance Officer of PPW.

PPW offers the following advisory services to our clients:

### **Asset Allocation Services**

We manage investment advisory accounts through Asset Allocation Services using proprietary model portfolios. Each model portfolio is designed to meet a particular investment goal.

Through personal discussions and a comprehensive information gathering process, each client's investment goals and objectives are established. From this information, we will determine which of its model portfolios is suitable to the client's particular circumstances. We may, if appropriate, suggest modifications to the model or an allocation among two or more of the models to more adequately address the client's individual needs. Once the appropriate portfolio(s) has been determined, the client will receive a confirmation of the proposed portfolio and the portfolio will generally be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account.

Clients will retain individual ownership of all portfolio securities. PPW will manage advisory accounts on a discretionary or non-discretionary basis, depending on the client's preference. PPW may select a sub-advisor to assist with portfolio implementation and trading.

When a sub-advisor is used, the accounts will be managed in accordance with PPW's custom models. PPW will provide the sub-advisor with the securities and allocations for each custom model and will retain sole responsibility for security research and due diligence. PPW will retain discretionary authority to hire or fire the sub-advisor and to make reallocation and rebalancing decisions. Those clients whose accounts will be handled by a sub-advisor will receive a copy of the sub-advisor's disclosure brochure (i.e., Form ADV Part 2) and Privacy Notice.

Account supervision will be performed by PPW and is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). For client accounts handled by a sub-advisor, PPW will continuously monitor the sub-advisor's services and be available to answer client questions regarding the sub-advisor.

Each model portfolio is constructed primarily of mutual funds, exchange traded funds (ETFs), exchange traded notes (ETNs) and other pooled investment vehicles. PPW will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Weighting among asset classes is determined by the appropriate model.

Also, in certain circumstances where there is not a tax efficient fund or investment (or restrictions such as Reg. D and Qualified Purchaser) for a US taxpayer, PPW would look to generate market exposure using individual securities and fixed income instruments. Example: CHF and EUR laddered bond portfolio or an International SRI portfolio. PPW will be inheriting portfolios with such positions that PPW would look to unwind to put in our strategies. However because of taxable consequences and market environments, PPW has to carefully manage such positions which could take time (i.e. long term capital gains vs. short term).

We will primarily use institutional asset class funds in client portfolios unless we determine that a better alternative is available. Institutional, style-specific, asset class funds are used to effectively mirror the various asset classes of the model portfolio and to minimize client costs. ETFs will be selected on the basis of any or all of the following criteria as they relate to the security or its underlying index: performance history; industry sector; management style and philosophy; track record; investment objectives; composition and focus, and; fee structure and expenses.

In order to ensure that our initial determination of an appropriate model portfolio continues to be suitable and that the client's account continues to be managed in a manner fitting to the client's financial circumstances, PPW seeks to maintain current client suitability information on file at all times. As such, we respectfully request prompt notification of any material change in the client's financial circumstances.

While we continuously monitor the underlying securities in client accounts, each client account is reviewed at least quarterly and rebalanced as necessary. If PPW believes that a reallocation is necessary, for example, that a particular investment is performing inadequately, or that a different investment is more appropriate for the client account, then PPW will recommend a different investment and will reinvest or instruct the sub-advisor to reinvest the client's assets in accordance with the discretionary authority granted by the client.

### **Financial Planning Services**

We may also provide advice in the form of a financial plan designed to assist a client in achieving his or her stated financial goals and objectives.

In general, the financial plan may address the following areas of concern:

- **Tax & Cash Flow:** Income tax and spending analysis and planning for past, current and future years. PPW will illustrate the impact of various investments on a client's current income tax and future tax liability.
- **Personal:** Family records, budgeting, personal liability, estate information and financial goals.
- **Education:** Education IRAs, financial aid, state savings and 529 plans, grants and general assistance in preparing to meet dependents continuing educational needs through development of an education plan.
- **Death & Disability:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- **Retirement:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- **Investments:** Analysis of investment alternatives and their effect on a client's portfolio.

We gather necessary information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, we suggest that the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial Planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature. However, Financial Planning is not a stand-alone service of PPW and is typically offered only in connection with the firm's Asset Allocation Services. Financial Planning is designed to provide PPW with a holistic view of the client's

financial circumstances and to form a solid foundation for investment recommendations made through the client's managed portfolio. As such, there is no additional fee charged for Financial Planning Services.

### **Consulting Services**

PPW also seeks to secure consulting mandates to collaborate with enterprising, global families to aid them in meeting their family's current and future goals. These services may include, but are not limited to, advice regarding family governance, construction of family constitutions and mission statements, improving operating costs/margins, selection of professional advisors, due diligence on investment and manager selection as well as creation of investment policy statements.

### **Amount of Managed Assets**

As of 12/31/2022, we were actively managing \$115,522,246 of client assets on a discretionary basis and \$34,270,484 of client assets on a non-discretionary basis.

## **Item 5 FEES AND COMPENSATION**

### **Asset Allocation Services**

The annual fee for Asset Allocation Services will be charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
Up to \$1 million	1.25%
\$1,000,001 - \$2 million	1.00%
\$2,000,001 - \$3,500,000	0.90%
\$3,500,001 - \$6 million	0.80%
Over \$6 million	Negotiable

A minimum of \$3,000,000 of assets under management and a minimum annual fee of \$12,500 is generally required for this service. This minimum account size and fee may be negotiable under certain circumstances. We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Client accounts will be directly debited, as authorized, in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. For those client accounts where portfolio implementation and trading are handled by a sub-advisor, the sub-advisor will be responsible for directly debiting the fees from the client's accounts. In such cases, the sub-advisor will retain a portion of the fees as compensation for its services and the remainder will be paid to PPW. Clients' annual advisory fees will not increase as a result of PPW's selection of a sub-advisor to provide portfolio implementation services for the client's account.

As disclosed at Item 12 of this brochure, we have negotiated arrangements with certain broker dealers and banks for client referrals. Under these arrangements, as deemed appropriate, the broker dealer or bank will refer certain of its clients to PPW that had previously engaged that entity to provide brokerage and custodial services as well as investment advice. Referred clients engaging PPW are transitioned from the referring broker dealer's or banks advisory platform to PPW's. As part of the arrangement with these broker dealers and banks, PPW aims to charge these referred clients no more than the referring entity

charged the client for investment advice. As a result, some referred clients may be charged a fee that is different from the fee schedule disclosed above.

### **Consulting Services**

Fees for consulting will typically be charged in one of two ways:

- 1) As a fixed fee, that will depend on the nature and complexity of the client's requirements. Up to 50% of this fee may be due upon signing the agreement, with the balance due upon completion of the consulting work product or presentation of final recommendations to the client.
- 2) On an hourly basis, at fair market rates, depending on the nature and complexity of the client's requirements, as well as the PPW representative(s) conducting the work. If appropriate, an estimate for total hours may be determined at the start of the consulting relationship. Up to 50% of the estimated fee may be due upon signing the consulting agreement, with the balance (based on actual hours) due upon completion of the consulting work product or presentation of final recommendations to the client.

### **General Information**

**Negotiability of Fees:** In certain circumstances, all fees may be negotiable. We reserve the right to adjust the fee schedule for accounts depending on the size and type of account and the services required. In some cases negotiation of fees may result in different fees being charged for similar services and may be less than the stated fees. In addition, certain family members and personal acquaintances of PPW's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

**Termination:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice to the other party. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. Clients always have the right to terminate an agreement without penalty within five business days after entering into the agreement.

**Other Fees and Expenses:** All fees paid to PPW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs to their shareholders. In the case of mutual funds, these fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a fund directly, without the services of PPW. In that case, the client would not receive the services provided by PPW which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by PPW to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to PPW's advisory fees, clients are responsible for the fees and expenses charged by custodians and imposed by broker dealers. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements, custody fees and transaction confirmations, and fees for electronic data feeds and reports. Please refer to Item 12 of this brochure for additional information regarding brokerage practices.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be

available from other registered (or unregistered) investment advisers for similar or lower fees.

## **Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

PPW does not charge performance-based fees to any client.

## **Item 7 TYPES OF CLIENTS**

PPW provides advisory services to individuals, including high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other businesses.

As previously disclosed at Item 5 of this Brochure, a minimum of \$3,000,000 of assets under management is generally required for this service.

## **Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis**

We use the following methods of analysis to determine which securities to buy, sell or hold:

**Fundamental analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

**Cyclical analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may under-perform regardless of market movement.

**Quantitative Analysis.** An analysis technique that seeks to understand the global capital markets or security behavior by using complex mathematical and statistical modeling, measurement and research. By assigning a numerical value to variables, quantitative analysis tries to understand and forecast reality mathematically.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.



**Mutual fund and/or ETF analysis.** We analyze mutual funds by historical performance and standard deviation, correlation with other mutual funds and the funds mandate for exposure to the market as explained in the prospectus among other factors. PPW may also use actively managed funds when appropriate or when specifically directed by the client. We seek to design portfolios that have a broad exposure to the total stock market both in North America and internationally. Multiple statistical tests are performed on the portfolios and combinations of asset classes to determine a mix that will provide the client with an appropriate risk-return profile. These tests may include, but are not limited to, an analysis of the historical returns of the different asset class combination scenarios to arrive at an appropriate risk-return profile; analysis of portfolio exposure to different segments of the market to ensure broad market exposure; and analysis of risk factor loads of possible combinations of asset classes to determine appropriate portfolio tilt.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alerted to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

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

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. As such, we focus on developing diversified portfolios, principally through the use of passively managed, asset class mutual funds that are available only to institutional investors and clients of a network of selected investment advisors.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time dependent on stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

At times we have clients which come to us with considerable legacy assets which are not part of our core investment strategy. In these cases we must work with the client to formulate a plan to sell the assets to bring their portfolio into line with our model portfolios over time. Tax consequences as well as suitability play a paramount role in deciding when and which assets are sold.

**Long-term purchases.** We purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current

projection for this class.

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

#### **Item 9 DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our firm nor our management personnel have any reportable disciplinary events to disclose.

#### **Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

PILOTAGE Private Wealth AG ("PPW") is related through common ownership and control to Pilotage Private Office AG ("PPO"), a Switzerland-based consulting firm with which it shares its principal office and certain executive officers. The consulting services provided by PPO are separate and distinct from those provided by PPW and are provided for separate compensation. PPW typically recommends PPO to advisory clients in need of consulting services and PPO typically recommends PPW to consulting clients in need of investment advisory services. Our firms have referral fee arrangements for these recommendations. However, no PPW client is obligated to use PPO for any services and conversely, no PPO client is obligated to use the investment advisory services provided by PPW.

PPW shares office space with U.S. Tax Services AG ("UTS"), a Switzerland-based tax preparation and compliance consulting firm. PPW typically recommends UTS to advisory clients in need of tax consulting and UTS typically recommends PPW to tax consulting clients in need of investment advisory services. Our firms have referral fee arrangements for these recommendations. However, no PPW client is obligated to use UTS for any tax consulting services and conversely, no UTS client is obligated to use the investment advisory services provided by PPW.

A member of our firm's management is also a portfolio manager for HCP Asset Management SA ("HCP"), a fund management company, and from time-to-time employees of HCP share office space with PPW. The advisory services delivered by HCP are distinct from those provided by PPW and are provided for separate compensation. HCP's services may be recommended to our clients for whom it is appropriate. There are no referral fee arrangements between PPW and HCP. However, a conflict of interest is created by this arrangement to the extent that we recommend that a PPW client open an account with HCP through which he will receive additional compensation. No PPW client is obligated to use HCP or its services.

Clients should be aware that the receipt of additional compensation by PPW and/or its management persons creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. PPW endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;

- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As discussed in Item 4, PPW may select a third-party sub-advisor to provide portfolio implementation and trading services for client accounts. Clients' annual advisory fees will not increase due to the use of a sub-advisor. The sub-advisor will be compensated by PPW from PPW's advisory fee. Generally, PPW's clients' accounts will be managed by the sub-advisor along with the sub-advisor's own clients' accounts, and as such, subject to its responsibilities under the securities regulations, the sub-advisor may allocate specific investment opportunities in its discretion to such other clients. Additional information regarding our sub-advisors' practices can be found in the sub-advisor's disclosure brochure (i.e., Form ADV Part 2).

#### **Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

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

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

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [arba.kasapi@pilotage.ch](mailto:arba.kasapi@pilotage.ch), or by calling us at +41 43 508 17 17.

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

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be

recommended to a client.

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

As these situations present potential conflicts of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) No director, officer or employee of PPW shall buy or sell securities for their personal portfolio(s) when their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of PPW shall prefer his or her own interest to that of the advisory client.
- 2) PPW maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Executive Officer and the Chief Compliance Officer of PPW.
- 3) PPW emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- 4) PPW requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5) Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

## **Item 12     BROKERAGE PRACTICES**

We do not accept the discretionary authority to determine the broker dealer to be used for client portfolio transactions or the commission rates to be paid by clients on a trade-by-trade basis. As such, clients must direct us as to which broker dealer to use for trades placed in the client's account. For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of one of several broker dealers subject to our fiduciary duty to the client.

Clients should carefully note that PPW has negotiated arrangements with certain broker dealers and banks for client referrals. Typically, such referrals will be made from broker dealers or banks at which the referred client has an account custodied. These broker dealers or banks may be compensated based on a percentage of the assets under management or a percentage of the advisory fee charged to the client by PPW and not through brokerage or dealer transactions or a promise of continued custodial services. Referral fees paid to solicitors will not increase the investment advisory fee paid by the client to PPW. However, these referral arrangements create an inherent conflict between the client's interest in obtaining a disinterested brokerage recommendation on the one hand and PPW's interest in receiving future client referrals from the referring broker dealer or bank on the other.

Due to the inherent conflict of interest resulting from these referral arrangements, PPW requires that clients affirmatively choose and direct PPW regarding which broker dealer or bank to use for execution and for custodial services. In making this determination, clients should be aware of their various brokerage and custodial options, including utilizing the services of the referring broker dealer or bank or choosing another broker dealer or bank to provide trade execution and/or custodial services. In directing PPW to use a particular broker dealer or bank, it should be understood that PPW will not have authority to negotiate commissions among various brokers on a trade by trade basis or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may result between the commissions charged to the client and those charged to other clients directing the use of a different broker dealer or bank.

PPW may aggregate, or block, trades where possible and when advantageous to clients. Blocking trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may permit equity or ETF trades to be executed in a timelier and more equitable manner while allowing PPW to obtain an average share price for clients participating in the block. Clients should note that PPW will only be able to block trades among clients directing the use of the same broker dealer or bank.

PPW's block trading policy and procedures are as follows:

- 1) PPW's policies for the aggregation of transactions shall be fully disclosed in this Form ADV;
- 2) PPW will not aggregate transactions unless it believes that aggregation is consistent with our fiduciary duty to our clients and is consistent with the terms of PPW's investment advisory agreement with each client for which trades are being aggregated;
- 3) No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all PPW's transactions in a given security on a given business day. Depending on the client's agreement with the custodian/broker, transaction costs will either be shared pro-rata based on each client's participation in the transaction or be based on the number of shares traded for each client;
- 4) PPW will prepare, before entering an aggregated order, a written statement ('Allocation Statement') specifying the participating client accounts and how it intends to allocate the order among those clients;
- 5) If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.
- 6) Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by PPW's Chief Compliance Officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;
- 7) PPW's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
- 8) Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker- dealer as soon as practicable following the settlement;
- 9) PPW will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and Individual advice and treatment will be accorded to each advisory client and no client or account will be favored over another.

For those client accounts where a sub-advisor is providing portfolio implementation and trading services, such trades will be handled in accordance with the sub-advisor's trading processes, including its block trading policies. Information regarding our sub-advisors' trading processes can be found in

the sub-advisor's disclosure brochure (i.e., Form ADV Part 2).

## **Item 13 REVIEW OF ACCOUNTS**

### **Asset Allocation Services**

While the underlying securities within Asset Allocation Services accounts are continuously monitored, these accounts are reviewed at least quarterly by the Chief Executive Officer of PPW. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

In addition to the quarterly statements and confirmations of transactions that Asset Allocation Services clients receive from their broker dealer or custodian, PPW will provide quarterly reports summarizing account performance, balances and holdings.

## **Item 14 CLIENT REFERRALS AND OTHER COMPENSATION**

As disclosed at Item 12 of this brochure, PPW has negotiated arrangements with certain broker dealers and banks for client referrals. Typically, such referrals will be made from broker dealers or banks at which the referred client has an account custodied. In connection with such referrals, appropriate disclosures, including those regarding compensation and conflicts of interest, shall be made, all written instruments will be maintained by PPW, and all applicable U.S. federal laws will be observed.

These broker dealers or banks may be compensated based on a percentage of the assets under management or a percentage of the advisory fee charged to the client by PPW and not through brokerage or dealer transactions or a promise of continued custodial services. Referral fees paid to promoters will not increase the investment advisory fee paid by the client to PPW.

PPW may also enter into business development agreements with professional counterparties that, under such agreements, will introduce PPW to promoters with whom PPW may subsequently enter into negotiated and client disclosed arrangements for client referrals. Referral fees may be paid to both a professional counterparty and to a promoter. Professional development and promoter arrangements will not increase the investment advisory fee paid by the client to PPW.

In addition, as appropriate, PPW or its officers or employees may also recommend the various investment-related or non-investment-related services of affiliated and unaffiliated investment advisers or other companies (hereinafter collectively "Companies") to its advisory clients or to persons who are not its clients. The services provided by these Companies are separate and distinct from the advisory services of PPW, and are provided for separate and additional compensation. With respect to certain of these referrals, PPW and/or its officers or employees will receive payment for client referrals. No PPW client or non-PPW client is obligated to use the services of any Company to which he/she may be referred.

## **Item 15 CUSTODY**

We do not have actual custody of any client's account. However, as disclosed at item 5 of this brochure, we may directly debit our fees from client accounts as authorized. Under applicable regulatory interpretations, as a result of this authority, we are deemed to have constructive custody of client assets. As part of this billing process, the client's custodian is advised of the amount of our fee which the custodian then debits from the client's account. On at least a quarterly basis, the custodian will send a statement to the client that shows all transactions in the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of this calculation, among other things. Clients should contact

us directly if he/she believes that there may have been an error in the calculation of their fee or any other information provided in their statement.

Also, as disclosed at item 13 of this brochure, we will send account statements directly to our clients, on a quarterly basis, in addition to the periodic statements that clients receive directly from their custodians. We urge our clients to carefully review the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 INVESTMENT DISCRETION**

As disclosed at Item 4 of this brochure, we offer Asset Allocation Services on both a discretionary and non-discretionary basis. For clients granting us discretionary trading authority, we place trades in the client's account without contacting the client prior to each trade to obtain the client's permission.

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

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

Clients may also give us discretionary authority to select (hire and fire) sub-advisor(s).

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

For clients that have elected not to grant us investment discretion over their account, we note that trades in their accounts will typically be executed after trades in the same securities are placed in discretionary accounts, due to the time involved in obtaining the requisite client approval. Consequently, these clients may not participate in blocked trades and there may be a difference in the price paid per share of a given security and the commission rates paid by these clients as compared to other clients depending, in part, on the type of security traded.

## **Item 17 VOTING CLIENT SECURITIES**

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

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

Our sub-advisors, however, may provide proxy voting services with respect to issuers of securities held in accounts for which they provide portfolio implementation or trading services. Information regarding our sub-advisors' proxy voting policies can be found in the sub-advisor's disclosure brochure (i.e., Form ADV Part 2).

**Other Corporate Matters:** We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the clients account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18 FINANCIAL INFORMATION**

PPW has no adverse financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

PPW has not been the subject of a bankruptcy petition at any time during the past ten years.