

## Item 1 – Cover Page

# Pensionmark Financial Group, LLC

24 East Cota Street

Santa Barbara, CA 93101

Phone: (888) 201-5488

<http://www.pensionmark.com>

January 10, 2024

This wrap fee brochure provides information about the qualifications and business practices of Pensionmark Financial Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (888) 201-5488 or by sending an email to [kate.mach@pensionmark.com](mailto:kate.mach@pensionmark.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.

Pensionmark Financial Group, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser. Additional information about Pensionmark Financial Group, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

(Please see page 12 for our Privacy Policy)

## **Item 2 - Material Changes**

The Firm has no material changes to report since our last annual brochure dated March 31, 2022; however, we have made the following changes and clarifications within the Brochure:

- Appointment of new Chief Compliance Officer;
- Clarification of services offered; and
- Minor typographical changes throughout
- Additional affiliations added in Item 9

Our Brochure may be requested by contacting us toll-free at (888) 201-5488 or by sending an email to [kate.mach@pensionmark.com](mailto:kate.mach@pensionmark.com).

Additional information about Pensionmark Financial Group, LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with Pensionmark Financial Group, LLC who are registered, or are required to be registered, as investment adviser representatives of Pensionmark Financial Group, LLC.

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#### **Item 4 - Services, Fees and Compensation**

Pensionmark Financial Group, LLC ("Pensionmark" or "Adviser") was established in March 2015. Pensionmark is a wholly owned subsidiary of WIA Holdings, LLC.

Pensionmark sponsors a wrap fee program ("Pensionmark Portfolio") that is custodied with Schwab Institutional ("Schwab"), a division of Charles Schwab & Co, Inc. Pensionmark provides advisory services, giving continuous advice based on the client's individual needs. Through personal discussions in which goals and objectives based upon the client's personal objectives are established, the firm will develop a personal investment policy based upon the Pensionmark Client Profile and manage the portfolio according to the criteria.

Through Pensionmark Portfolio, Pensionmark provides investment recommendations based upon a review of the client's investment goals, financial situation and risk tolerance. Pensionmark Portfolio accounts may be managed on a discretionary or non-discretionary basis, as specified in the advisory agreement. Clients have the option of accepting Pensionmark's recommendations or selecting alternative investments for their accounts. Pensionmark offers periodic rebalancing of the securities or upon the client's direction. We may also provide monitoring and reporting of portfolio performance to clients on a periodic basis.

#### ***Third-Party Money Management***

Pensionmark has access to a wide range of non-affiliated investment advisors ("third-party money managers") via the Envestnet ENV2 platform to offer asset allocation and asset management services to Pensionmark advisory clients. Each IAR shall assist their client in formulating a strategic investment portfolio based on the client's investment objectives. Once formulated, if appropriate for the client, a suitable third-party money manager is selected to implement and continually manage the portfolio. In preparing the portfolio, each IAR will set restrictions or limitations on the management of the account and explain to the client the continual account activity transacted by the third-party money manager. Also, Pensionmark will periodically review the current and historical performance record of each third-party money manager.

The relationship of Pensionmark with the third-party money manager will be clearly communicated to all clients. Each third-party money manager is required to provide Pensionmark and the IAR with a disclosure document statement, typically a copy of their Form ADV 2A. The third-party money manager's Form ADV 2A will be provided to the client by the IAR.

Pensionmark has also entered into additional agreements with various non-affiliated investment advisors ("third-party money managers") not available on the Envestnet Platform to offer asset allocation and asset management services to Pensionmark' advisory clients. In the same way as mentioned above, each IAR shall assist their client in formulating a strategic investment portfolio based on the client's investment objectives. Once formulated, a suitable third-party money manager is selected to implement and continually manage the portfolio. In preparing the portfolio, each IAR will set restrictions or limitations on the management of the account and explain to the client the continual account activity transacted by the third-party money manager. Also, Pensionmark will periodically review the current and historical performance record of each third-party money manager.

The relationship of Pensionmark with these third-party money managers will be clearly communicated to all clients in the third-party money manager's Client Services Agreement and/or other similar documentation. Each third-party money manager is required to provide Pensionmark and the IAR with a disclosure document statement, typically a copy of their Form ADV 2A. The third-party money manager's Form ADV 2A will be provided to the client by the IAR.

Additionally, Pensionmark advisors may recommend the use of WealthPath models to Clients. These models are managed by WealthPath Advisors, LLC. WealthPath advisors are registered as investment advisor representatives of Pensionmark. When offered to their own clients there are no additional fees; however, when offered to the client of other advisors (including other Pensionmark advisors), a portion of the total advisory fee charged is paid to WealthPath in exchange for their investment management services. This may create a conflict of interest, because although the fee paid by the Client is not impacted, Pensionmark may receive additional remuneration when WealthPath is selected as the manager of the Clients' assets because WealthPath is not an outsourced third-party money manager. Pensionmark's fiduciary responsibility is to always choose the manager or portfolio that is in the best interest of the client, and Pensionmark does not promote the exclusive use of WealthPath as a third-party manager alternative.

Pensionmark may recommend stocks, bonds, mutual funds, or other assets of any kind, consistent with the client's investment objectives. Most types of securities are eligible for purchases in the Pensionmark Portfolio account including but not limited to, common and preferred stocks, exchange traded funds, closed end funds, unit investment trusts, corporate and government bonds, certificate of deposit, mutual funds, and certain wrap class alternative investments, such as hedge funds.

Pensionmark also offers a non-wrap program, Pensionmark Wealth, which is described in the firm's ADV Part 2A. In a wrap fee program, clients are charged an all-inclusive wrap fee on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. A portion of these fees will be paid to Pensionmark for advisory services. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Pensionmark's fee, and Pensionmark shall not receive any portion of these commissions, fees, and costs.

### ***Reasonable Restrictions***

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should not be sold if held in the account. If a client's instructions are unreasonable or an investment advisor representative believes that the instructions are inappropriate for the client, Pensionmark will notify the client that, unless the instructions are modified, it may cancel the instructions in the client's account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

Fees for the Pensionmark Portfolio program will cover advisory services, performance measurement, transaction costs, custody services and trading. These fees do not cover the fees and expenses of any

underlying funds purchased in the account. Fees are based on the assets in the account and are generally assessed monthly.

Pensionmark Portfolio accounts are charged an all-inclusive “wrap fee” on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. Clients pay all of Pensionmark Portfolio’s usual and customary commissions, transaction fees and other charges for transactions on Excluded Assets. Commissions and fees on Excluded Assets and other charges will be assessed against a client’s account on or about the transaction date or such other date assessed by the Pensionmark Portfolio Program. See the Program Fees and Account Minimums section below for details of fee exclusions, calculations, refunds and other information. The imposition of the minimum fees may cause the effective Program Fee rate (expressed as a percentage) to be greater than the fee rates specified in the table below.

### ***Fees and Compensation***

The specific manner in which fees are charged by the Firm is established in a client’s written agreement. Fees are based on a percentage of assets under management as of the last day in the previous billing period, calculated at an annual rate and billed in advance based on the number of days in that particular period. Fees are based on the assets in the account per the schedule below and in some instances, may be negotiated.

#### **Fee Schedule**

<b>Gross Market Value</b>	<b>Maximum Annual Fee</b>
\$0 - \$500,000	3.00%
\$500,001 - \$1,000,000	2.75%
\$1,000,001 - \$2,000,000	2.50%
\$2,000,001 - \$5,000,000	2.25%
Over \$5,000,001	2.00%

A minimum annual fee of \$30 per quarter (\$120 annually) will be charged. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above. The firm, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, client negotiations, etc.).

In addition to the fees outlined above, a separate fee of up to 0.05% (5 basis points) may be levied by Envestnet, the firm’s technology platform used for billing and reporting. This fee may be levied in addition to the advisory fee assessed for investment management services and is not billed as a separate line item. The annual Envestnet platform fee will not exceed 0.05% or a \$100.00 minimum annual fee, prorated monthly, whichever is greater. Accordingly, a client might pay an effective rate greater than the rate specified in the fee schedule on their Advisory Agreement. The \$100.00 fee resets annually based on the month the account was originally opened. In the event a third-party money manager is implemented in a client portfolio, the annual Envestnet platform fee will not exceed 0.15% or a \$150.00 minimum annual fee, prorated monthly, whichever is greater. This fee may be reduced based on the amount of investable assets and is in addition to the advisory fee assessed by Pensionmark and the third-party asset manager for investment management services.

The initial fee is due in full one business day after the client’s account is accepted and funded and will be based on the asset value of the account on that date. The initial fee will be prorated according to the number of days remaining in the calendar month and billed in the subsequent month. Thereafter, the fee will be calculated by multiplying the fair market value of the assets in the account as of the last trading day of each billing period by the annual fee and then dividing that result by the number of days in a year and subsequently multiplied by the number of days in the month. Fees will be deducted from the account directly unless the Client requests

to be billed separately. Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar month and excess fees will be rebated to the client. No further proration is done for additions or withdrawals made during the fee period.

A portion of the fees described herein will be paid to Pensionmark Financial Advisors in connection with the provision of investment advice and/or client-related services within those programs. This compensation may be more than Pensionmark's Financial Advisors would receive if clients paid separately for investment advice, brokerage, and other services and therefore, Pensionmark Financial Advisors may have a financial incentive to recommend the program services over other programs or services.

Generally, Pensionmark purchases no-load mutual funds which do not generate sales charges. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be paid to Schwab. For certain ERISA accounts, 12b-1 fees in whole or in part are credited back to the account to offset fees charged.

Some mutual funds within this program pay 12(b)-1 service fees (normally 0.25% per year) to the Custodian. The mutual funds the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. Typically, Pensionmark does not recommend mutual funds that charge 12(b)-1 fees when other share classes are available. However, there are instances in which the Pensionmark would recommend a mutual fund that carries a 12(b)-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower-cost class share may not be available to Pensionmark due to investment minimums, or the custodian may make available certain funds which do not carry a transaction fee. Pensionmark does not receive any part of the fees charged by Mutual Funds, and as a fiduciary to your account will select the most appropriate fund share class.

The wrap program may cost the client more or less than purchasing such services separately and will depend on the trading activity in the client's account. The cost of non-wrapped investment advisory services is necessarily lower than investment advisory services provided under the wrap program. Because Pensionmark may receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, Pensionmark may have a financial incentive to recommend the Program to clients over other types of advisory services. Pensionmark may give advice to others that may be different from the advice given to Program clients. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. In addition, certain advisors may not be available to certain clients outside the consulting relationship because of minimum account sizes, fee schedules, geographic availability, or other factors. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. Because of the single fee charged to a Program account, Pensionmark may be regarded as having a conflict of interest in that it may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees. However, Pensionmark is constrained by fiduciary principles to act in its clients' best interests.

All fees may be subject to negotiation. When negotiating fees, factors considered, but not limited to, include: (i) clients with multiple accounts; (ii) size of the account; (iii) a prior or existing relationship; and (iv) a client's particular needs or financial characteristics. Because fees may vary, clients with existing

accounts may be charged fees which do not precisely match the foregoing fee schedules, or the fees paid by other clients.

Other costs that may be assessed and that are not part of those outlined above include fees for portfolio transactions executed away from the broker/custodian selected by the client, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, and exchange fees, among others. Brokers/custodians may charge clients certain additional and/or minimum fees.

The Program wrap fee does not include: (i) annual account fees or other administrative fees, such as wire fees, charged by custodians (ii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, and charges imposed by law with regard to transactions in the client's account; and (iii) advisory fees, expenses or sales charges (loads) of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any, held in client's account.

### ***Account Termination***

Client and/or the firm may initiate termination of the contract at any time by sending written notice to the contra party and will be accepted the day that it is received by the contra party. Pensionmark does not charge a fee for terminating the account, but the custodian may charge a termination fee.

Upon written receipt of notice to terminate its client agreement and unless specific transfer instructions are received, Pensionmark and its agent will cease advisory services. Should the client provide specific instructions to liquidate, Pensionmark will proceed with liquidation of the client's account in an orderly and efficient manner. There will not be a charge by Pensionmark for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Additionally, custodians may assess additional redemption fees for short-term liquidations. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory services and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Pensionmark and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

### **Item 5 - Account Requirements and Types of Clients**

Pensionmark provides advisory services to Individuals and Retirement Plans including, 401K Plans, 403B Plans, pensions and profit-sharing plans, non-qualified plans, foundations, endowments, corporations, or other businesses not listed above. For Wealth Clients, Adviser does not require a minimum account size, but may impose a minimum annual consulting fee.

Certain managers may require a higher minimum as disclosed in the individual manager's Firm Brochure. Under certain circumstances, the minimum may be waived, including related accounts that may be combined to meet the minimum if the services involved may otherwise be provided.



## **Item 6 - Portfolio Manager Selection and Evaluation**

Pensionmark serves as the portfolio manager in the wrap fee program. Pensionmark may outsource its portfolio management by using outside portfolio managers for the referenced Program. Pensionmark uses industry standards to measure the performance of its portfolio managers; however, it does not use a third-party auditor to review and verify the performance of its portfolio managers.

## **Item 7 - Client Information Provided to Portfolio Managers**

Pensionmark is usually both your registered investment adviser and your portfolio manager. Pensionmark may outsource its portfolio management by using outside portfolio managers for the referenced Programs. In some cases, your portfolio manager has the same access to your information as Pensionmark. This information may include, among other things, income, net worth, risk tolerance, and investment objectives. Your portfolio manager uses this information to determine the appropriate asset allocation and manage your investments. When you update your information with Pensionmark, your portfolio manager will be provided with the same updated information.

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

Pensionmark 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).

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

Investment recommendations are based on an analysis of the client's individual needs and are drawn from research and analysis. Security analysis methods may include the following:

- Fundamental analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. 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 and charting: We attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at any time and past performance is not a guarantee of future performance.
- Cyclical analysis: We attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves a risk that clients should be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### ***Voting Client Securities***

As a matter of firm policy and practice, Pensionmark generally does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients should contact their financial advisor if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

Clients can authorize investment managers to vote proxy requests on their behalf in their client agreements. Please refer to the respective investment manager's Form ADV for a full disclosure of its proxy voting policies and procedures.

### **Item 8 - Client Contact with Portfolio Managers**

You may communicate with portfolio managers directly during normal business hours. Consultations beyond normal business practices may require additional negotiated fees.

### **Item 9 - Additional Information**

#### ***Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Pensionmark or the integrity of Pensionmark's management. Pensionmark has no information applicable to this Item.

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

Pensionmark is a wholly owned subsidiary of WIA Holdings, LLC. Under the common control of WIA Holdings, LLC, Pensionmark is affiliated with Pensionmark Securities, LLC ("PSC"), TFS Securities, Inc., Goldman Sachs & Co., LLC, Mercer Allied Company, L.P., and Goldman Sachs Custody Solutions, all FINRA broker-dealers (Members SIPC), TFS Advisory Services, Wealth Advisory Group, Inc., Financial Planning Concepts of America, Inc., GSAM Stable Value, LLC, The Ayco Company, L.P., Goldman Sachs Asset Management, L.P., Goldman Sachs Hedge Fund Strategies, LLC, GSAM Strategist Portfolios, LLC, Rocaton Investment Advisors, LLC, and Aptitude Investment Management, LP, all SEC Registered Investment Advisers. Pensionmark is also affiliated with World Insurance Associates, LLC, Sesame Insurance, LLC, Pensionmark Partners Insurance Services, LLC ("PPIS"), Scotts American, LLC, Keating, LLC, TRIC Agency Corp. and World Insurance Programs, LLC all insurance agencies engaging in Life, Health, Long Term Care and Variable Insurance business.

Investment Adviser Representatives ("IARs") of Pensionmark may effect securities transactions for Clients as registered representatives of either Pensionmark Securities, LLC ("PSC"), St. Bernard Securities, LLC ("St. Bernard"), or Osaic Wealth, Inc. ("Osaic"), all broker-dealers. Pensionmark is affiliated with PSC through the common control and ownership by WIA Holdings, LLC. Pensionmark and St. Bernard are not affiliated entities, and neither are Pensionmark and Osaic. Further, for broker-dealer services, PSC, St. Bernard, Osaic, or their associated persons may receive compensation, which is separate and distinct from compensation related to investment advisory services. Commissions paid to advisors for broker-dealer services may be higher or lower than those paid by other brokers. All FINRA, SEC, and other regulatory agencies disclosure requirements and policies are observed for all transactions. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

One or more Pensionmark Advisors are also registered as Advisors with Halbert Wealth Management, Inc. Halbert Wealth Management, Inc. provides investment advice to third-party institutional clients but no longer services individual wealth management accounts. Pensionmark is not affiliated with Halbert Wealth Management, Inc.

Investment Adviser Representatives ("IARs") of the Adviser may also be licensed as insurance agents with Pensionmark Securities, LLC, an insurance agency engaging in Variable Insurance business. Limited non-variable products may also be offered through the insurance agency.

Individuals may also be separately licensed as insurance agents with PPIS, which is affiliated with Pensionmark through common ownership. PPIS is an insurance producer group engaging in Life, Health, Long Term Care and Variable Insurance business. Variable products will be offered exclusively through PSC. Non-variable products will be offered directly with the insurance carrier through the producer group contracts. Compensation will be paid directly by these entities.

Individuals licensed as Registered Representatives or Insurance Agents may spend as much as 50% of their time with these aforementioned non-advisory activities. In their capacities as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Pensionmark.

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

Pensionmark has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Pensionmark must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of Pensionmark may buy or sell securities that are recommended to clients. Pensionmark's employees and persons associated with Pensionmark are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of Pensionmark and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Pensionmark's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Pensionmark 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Pensionmark's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Pensionmark and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or about the same time. Generally, this would pose a conflict if the Advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an Advisors account or related persons' account on the same day as a client unless the client gets the better price.

Trades may be done on an aggregated basis when consistent with Pensionmark's obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will share commission costs equally and receive securities at a total average price. Pensionmark will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Pensionmark's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Pensionmark at (888) 201-5488 or by sending an email to [kate.mach@pensionmark.com](mailto:kate.mach@pensionmark.com).

### ***Brokerage Services***

Pensionmark generally recommends that clients establish brokerage accounts with Charles Schwab & Co. or Fidelity Institutional Wealth Services ("Schwab" or "Fidelity" or collectively, "the Custodian"), FINRA registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. We recommend the services of the Custodian based on a number of factors including financial strength, reputation, execution, pricing, responsiveness, fees, research, and other services.

Although Pensionmark may recommend that clients establish accounts at the Custodian, it is the client's decision to custody assets with the Custodian.

Pensionmark does not direct brokerage to a particular venue for execution, but rather relies on Schwab or Fidelity (with the exception of bond trades that may be directed to a prime broker available to Pensionmark through the Fidelity or Schwab Platforms). Fees and commissions charged by Fidelity or Schwab may be higher or lower than obtainable elsewhere. Circumstances occasionally arise when Schwab or Fidelity must impose a separate or special handling or custodial charge for acting as custodian for an exempt security or private placement that was recommended by Pensionmark to a Pensionmark Advisory Client. On a case-by-case basis, Pensionmark may cover the cost of this type of fee on a "value-added" basis by having the fee directly billed to Pensionmark rather than the Client or by reimbursing the Client. Pensionmark is independently owned and operated and not affiliated with Schwab or Fidelity.

Schwab and Fidelity make products and services available to Pensionmark that benefit Pensionmark but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of Pensionmark accounts. Some of these products and services provided includes software and other technology that provides access to client account data (such as trade confirmations and account statements); provides research, pricing, and other market data; facilitates payment of fees from clients' accounts; and assists with back-office functions, recordkeeping and client reporting.

You and our other clients can benefit when we aggregate trades to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. When consistent with our duty to obtain best execution, we will aggregate multiple client transactions into a single order in order to obtain the best price for our clients. In such circumstances, the accounts will share commission costs equally and receive securities at a total average price. Pensionmark will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order. Trade aggregation will typically be done at the branch level.

For third-party money managers Pensionmark recommends, we do not direct brokerage in these accounts. Brokerage practices of separately managed accounts are disclosed separately in their Brochure(s).

### ***Review of Accounts***

Accounts are assigned to IARs who are responsible for performing periodic reviews and consulting with the respective client. Accounts are reviewed not less than annually by the Advisor. Factors that are considered during such reviews include but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact Client's account would be the following: performance that is not in line with the client's "downside risk tolerance," change in investment objective, the client makes a significant addition of capital or withdrawal of capital from the account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position that could lead to volatility, etc. Accounts may also be subject to a secondary review by a designated supervisor. Such supervisory reviews will be done on a periodic basis. The supervisor will oversee the selected accounts for the same triggering factors as mentioned above.

Advisor has the ability to provide performance reports for assets under advisement through the Envestnet data aggregation and portfolio reporting tool. For data aggregation purposes, these reports may include information for assets managed by the Adviser for both commissionable and fee-based accounts.

The client agrees to inform the firm in writing of any material changes to the information included in the Pensionmark Client Profile or any other change in the client's financial circumstances that might affect the manner in which the client's assets should be invested. Clients may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s).

### ***Client Referrals and Other Compensation***

Pensionmark, in some instances, may compensate third-party promoters for Client referrals. In order for a promoter to be compensated by Pensionmark for referring a Client to Pensionmark, the promoter must be engaged by Pensionmark under a Promoter or Referral Agreement ("Agreement") in compliance with Section 206(4)-1 of the Investment Advisers Act of 1940. In general, a promoter is compensated by a percentage of the advisory fee collected for a limited period of time specified in the Agreement. The Client pays no additional fee for the referral over and above Pensionmark's quoted advisory fee; to the contrary, the fee the Adviser earns is reduced by the amount of the compensation to the promoter. A Client who is referred by a promoter will receive the promoter's separate Disclosure Statement describing the nature of the arrangement in detail.

Clients may request details regarding a particular Agreement by contacting us toll-free at (888) 679-6067 or by emailing [kate.mach@pensionmark.com](mailto:kate.mach@pensionmark.com).

Certain mutual fund companies, record keepers or other third parties ("Third Parties") will periodically sponsor educational seminars for participating financial advisors designed to facilitate and promote professional development and product knowledge. To encourage participation, Recordkeepers will cover travel related expenses for certain financial advisors to attend these meetings. Such expense reimbursements are only permissible by Pensionmark when pre-approved, and after review of the agenda and estimated costs. Pensionmark will not approve expense reimbursements by the Recordkeeper for travel unless the travel expenses appear reasonable and customary; lavish expenses will not be approved. Pensionmark Advisors do not base recommendations on the expectation of such conference and travel.

In addition, Pensionmark or its Advisors may host events where Third Parties "sponsor" a specific portion of the event, i.e., the cost of a dinner. Pensionmark Advisors do not base recommendations on the expectation of such conferences, travel, or event sponsorship.

### ***Custody***

Clients should receive statements at least quarterly from the Custodian or other selected qualified custodian that holds and maintains client's investment assets. Pensionmark urges clients to carefully review such statements and compare the official custodial records to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### ***Investment Discretion***

Pensionmark typically acts in a discretionary capacity for its Wealth Clients but may act in a non-discretionary capacity. Discretionary authority provides the Pensionmark Advisor with the authority to

determine, without obtaining specific Client consent, both the securities to be bought and sold in their accounts as well as the amount of securities to be bought and sold.

If discretionary authority is granted to select the identity and amount of securities to be bought or sold, clients must authorize such discretion in writing in the advisory agreement. In all cases, 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, Pensionmark observes the investment policies, limitations, and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Pensionmark in writing.

Pensionmark may recommend third party money managers. When acting in a discretionary capacity, the firm has the ability to evaluate managers and may switch money managers or reallocate assets among managers without consulting the client. When acting in a non-discretionary capacity, the Advisor will make recommendations, but only the client has the authority to hire or switch money managers or reallocate assets between programs. In all cases, the Advisor will monitor performance of the third-party money manager and will make recommendations consistent with the client's investment objectives and risk tolerance.

### ***Financial Information***

Registered Investment Advisers are required to provide you with certain financial information or disclosures about Pensionmark's financial condition. Pensionmark has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceeding.

### **Privacy Policy**

Pensionmark Financial Group, LLC ("Pensionmark") recognizes that its Clients have an expectation that Pensionmark and its affiliates will maintain the confidentiality of Clients' nonpublic personal information. Consequently, Pensionmark has adopted this Privacy Policy concerning information obtained during the servicing of Client's account(s).

**Nonpublic Information:** Nonpublic information obtained by Pensionmark for purposes of providing services hereunder will not be furnished to third parties for any other purpose other than in furtherance of the services to be provided hereunder. Notwithstanding the foregoing, Pensionmark may disclose nonpublic information (i) to the extent such disclosure is required by court order or by a valid order of a governmental body governmental or quasi-governmental agency (such as FINRA) (ii) after the time of disclosure such information becomes part of the public knowledge or literature, not as a result of any inaction or action of Pensionmark, (iii) reasonably necessary for Pensionmark to enforce its legal rights in any dispute with that Client; or (iv) is approved by Client, in writing, for release. Pensionmark does not disclose nonpublic personal information about its Clients to any party except as permitted by law.

**Sources of Personal Information:** We collect Personal Information about you from meetings with you and on applications or other forms you have submitted to Pensionmark, as well as information about your investments or transactions with us or others (such as third-party service providers or fund companies) from other sources.

**How Pensionmark Protects the Confidentiality of Clients' Nonpublic Personal Information:** Pensionmark does not sell or trade Clients' information with nonaffiliated companies. When information is provided to third party service providers, safeguards are in place to assure that information is used only for the

purpose it is provided. Pensionmark maintains its records on secured computers. Prospective employees are screened for criminal convictions. Once hired, employees are made aware of Pensionmark's Privacy Policy and of the confidential nature of the information they handle. Employees are limited to accessing only that customer information that is necessary to perform their job functions.

**To Whom This Policy Applies:** This Notice applies to all our Clients who enter into an Advisory Services Agreement or Customer Agreement with us. Our Former Clients: Even if you are no longer a Client, our Privacy Policy will continue to apply to you.

**Internet Cookies:** An internet "cookie" is a small amount of data that is placed on to your electronic device by a website and stored in your internet browser. Cookies allow websites to store things like preferences, so that it can recognize you when you come back and respond appropriately. When individuals access the Pensionmark.com website, Pensionmark makes use of cookies to improve the load times and functionality of the website, and in some cases registration pages. Pensionmark may from time to time also utilize data tracking software to assist us in spotting trends, and areas of improvement in the website. By accessing the Pensionmark.com site and embedded web pages, you are providing your express approval allowing us to utilize these technologies so that we can improve our service to you. Pensionmark may also use various third-party cookies to report usage statistics of the service, or to authenticate users and prevent fraudulent access of user accounts.

**Access to and Correction of Information:** Upon the written request of Clients, we will make available for their review any file we may maintain for their personal Information; provided, however, that any Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If Clients notify us that any Information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, Clients may submit a short statement of dispute, which we will include in any future disclosure of the disputed Information.

**Additional California Privacy Disclosures:** Please consult our supplemental *Pensionmark Privacy Notice for California Residents* for additional disclosures pertinent to California residents.

**Further Information:** We reserve the right to change this Privacy Policy at any time. The examples contained within this Privacy Policy are illustrations and are not intended to be exclusive. This Policy attempts to comply with federal and state regulations regarding privacy. Clients may have additional rights under other foreign or domestic laws that may apply to them.

If the financial advisor servicing a client account leaves Pensionmark to join another firm, the advisor is permitted to retain copies of client information so that he/she can assist with the transfer of the client account and continue to serve the client at their new firm.

**"Opting-Out" of Third-Party Disclosures:** If a client does not want a financial advisor to retain copies of client sensitive information when he/she leaves Pensionmark to join another firm, the client may contact the Pensionmark Compliance Department by calling (888) 201-5488 or sending an email to [kate.mach@pensionmark.com](mailto:kate.mach@pensionmark.com) to request further information regarding this policy.