



PROFESSIONAL
FINANCIAL
Purposeful Wealth Management

Firm Brochure

Form ADV, Part 2A

Dated September 30, 2024

Professional Financial Strategies, Inc.

IARD/CRD File Number: 125580

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This brochure provides information about the qualifications and business practices of Professional Financial Strategies, Inc. (the "Advisor"). If you have any questions about the contents of this brochure, please contact us at (585) 218-9080 or planning@professionalfinancial.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. References herein to Advisor as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Additional information about Advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2/Material Changes

MATERIAL CHANGES FOR UPDATE OF SEC REGISTRATION

This Disclosure Brochure has been revised at Item 9 with respect to a recent SEC regulatory settlement pertaining to a marketing rule violation.

Advisor's Chief Compliance Officer, Paul Byron Hill, remains available to address any questions regarding this Part 2A, including disclosure additions and enhancements below.

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Item 4/Advisory Business

A. Professional Financial Strategies, Inc. (the “Advisor”) is a corporation formed February 1993 in the state of New York. Advisor was New York State registered as an investment adviser from March 1993 until it re-registered with the SEC in January 2016. Paul Byron Hill is the principal shareholder and founder of Advisor, and serves as CEO, President, and Chief Compliance Officer.

B. Advisor offers individuals and families (including their associated retirement plan accounts, trusts and estates, charitable arrangements, and business entities) investment management services on a discretionary or nondiscretionary basis. Additionally, financial planning is provided for families who are either preparing for retirement or already retired and concerned with legacies for surviving spouses, family, and charities.

Financial planning is a collaborative process that helps maximize a client’s potential for meeting life goals through financial advice integrated with relevant elements of their personal and financial circumstances. Client investment accounts are managed around their individual financial situations. Working with Advisor, each client selects their household planning objective(s) based on their financial planning goals, preferences, and values, allowing for acceptable restrictions and limitations on investment management services.

Advisor structures investment strategies are framed within a coordinated management process aligned with CFP® practice standards. The Advisor working closely with each client to individually develop a personalized strategy to prioritize their essential financial goals and then put in place a process to attain and maintain those goals, including a legacy for spouses, family, and charities. Advisor collaborates, at the client’s request, with client’s own professionals and also our network of accounting, tax, legal, trusts and insurance specialists, to implement planning recommendations selected.

“Wealth management” broadly describes an integrated arrangement of investment management and financial planning, that may include advanced planning related to retirement, taxes, insurance, employee benefits, estate and legacies. Advisor itself is compensated based on fees for service agreed upon with each client (rather than commissions) for investment management, financial planning and consulting services.

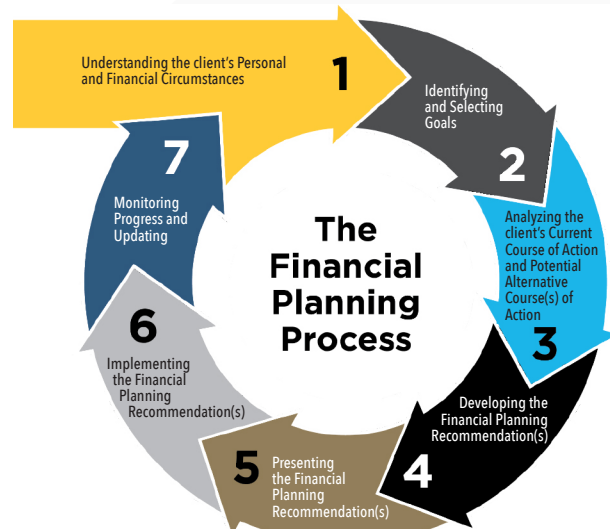
FINANCIAL PLANNING & CONSULTING

Financial planning and consulting services variously include personal financial planning, retirement planning, retirement income planning, legacy planning, and customized incidental management services. CFPs following the Financial Planning Process: (1) understand personal and financial circumstances, (2) identify and help clients select goals, (3) analyze client current situations and suggest alternative approaches, (4) develops and refines individualized recommendations, and (5) then presents suitable recommendations for client approval. With that approval, then (6) the planning process moves on to coordinating implementation and providing management services, if requested.

Finally, (7) Client’s progress is monitored regularly, at least annually, and goals and courses of action are reviewed. Advisor requires a minimum of financial planning completed prior to engagement for specific investment management services. Advisor’s levels of service provided to clients may be:

- **Standard, Service Level 1:** Advisor provides core personal financial planning services for those with modest assets. Investment policies are developed, assets and resources are mapped, progress toward goals is stress-tested based on current circumstances. Beyond periodic investment reporting and asset-mapping, core financial planning is provided once annually at client request. More frequent communication and consultations (other than for incidental account services) requires a premium upgrade or an hourly retainer.
- **Preferred, Service Level 2:** Advisor provides core personal financial planning services as in Level 1 for clients approaching retirement, transitioning into retirement, or already retired. Periodically, and at least annually, investment policies are maintained, asset maps are maintained, goal strategies are stress-tested based on current circumstances, and planning and investing modified as necessary. Income tax, insurance/benefits, and estate/legacy consultations are provided solely at client request but limited by planning agreement terms. More communications and/or consultations (other than for incidental account servicing), related to trusts, business interests or real estate interests require one of two levels of Premium upgrade.
- **Premier, Service Level 3:** Advisor provides Preferred level services with Premium upgrade available. In lieu of redundant services, customized services may be negotiated, such as expanded income tax preparation, or frequent contacts with accounting, trust, and legal professionals, or financial planning education for family in preparation for wealth transfer. Depending on the complexity of client services required, a Premium customized upgrades may be negotiated.
- **Introductory Envisionment Offer:** This encompasses the first two phases of the financial planning process. It may be provided at no charge to prospective clients at the Advisor’s discretion. A preliminary asset map is developed for the client situation. As the prospect goals, concerns, and needs are understood by Advisor, they are stress tested to identify issues for discussion of potential approaches and alternatives. Should Advisor be engaged, this work will be incorporated into their financial planning at the appropriate service level.

Limitations of Financial Planning & Consulting Services. Advisor will provide financial planning, retirement planning, and/or other planning services only to the extent the client requests.





Neither Advisor nor its adviser representatives assist clients beyond simply presenting planning recommendations unless both have mutually agreed to do so in writing. The Advisor **does not** continuously monitor a client's financial planning even with a coordinated investment management agreement. It continues to be the client's responsibility to request at least annually formally revisiting financial, retirement, tax, or other personal planning matters concerns. Clients are responsible for requesting additional planning or consulting, as limited by their agreement. Advisor's investment management fee will remain the same whether the client reviews their planning with Advisor within their yearly contacts limits or not. Advisor remains available to address incidental client inquiries to determine if additional planning is required.

Implementing any financial planning advice is at client's sole discretion and they may reject any Advisor recommendation.

Limitations of Recommendation of Professional Specialists.

Advisor may refer unaffiliated professional specialists for non-investment services. Client has no obligation to engage those professionals. Client retains absolute discretion over the terms of any proposed engagement and is free to accept or reject that professional's recommendation. Advisor **does not** serve as an attorney or an accountant, and so no portion of our services should be construed as such. See "*Client Obligations*" below.

Accordingly, Advisor **does not** provide formal accounting services or prepare legal documents for clients. A related person of Advisor may be recommended in their individual capacity as a licensed insurance and annuity specialist when, and only if, that is deemed to be in the best interest of client, to the extent a client requests.

See Item 10 disclosure. When client engages an unaffiliated professional referred by Advisor (i.e. attorney, accountant, insurance agent, trust company, etc.), and if a dispute arises relative to such engagement, client agrees to seek recourse exclusively only against from that self-same professional or their firm. At all times, only the professional(s) that the client engages, and **not** Advisor, shall be responsible for the quality and competency of the services provided.

Client Obligations. In performing financial planning and consulting services, Advisor shall not be required to verify any information received from client or from client's professional advisors, and Advisor and is expressly authorized to reasonably rely thereon. Moreover, it is the client's responsibility to promptly notify Advisor if there is ever any change materially impacting their financial situation or investment objectives related to reviewing, evaluating, or revising previous recommendations and/or services. Notice or memorandum to Advisor of such changes **must be** provided in writing by mail or email.

INVESTMENT MANAGEMENT SERVICES

Investment management is central to Advisor's wealth management service. Advisor manages client portfolio accounts either on a discretionary or non-discretionary basis, but limited to certain types of securities, primarily institutional-class mutual funds and exchange-traded funds and cash equivalents. Legacy stock and bond holdings transferred into client accounts and requested to be held are also advised. Alternative investments in outside accounts such as hedge funds, private equity, venture capital, cybercurrencies, NTFs, and SPACs may be coordinated with client's investment accounts managed by Advisor, however.

Advisor maintains science-based systematic structured strategies based on a broad range of expected returns with corresponding levels of uncertainty. Once clients adopt an investment policy, customized strategies are coordinated in an aggregated manner across all household accounts under Advisor management with a view to tax considerations by location. Policy is NOT replicated account by account. Portfolio strategies ordinarily blend institutional-class mutual funds and exchange traded funds ("ETFs") across a global set of equity, fixed income and hybrid asset classes and funds. In very limited circumstances, Advisor may incorporate individual securities and income annuities. Our investment strategies are not limited by our broker-dealer custodians to particular products or services.

Advisor works only with clients allowing customized strategies coordinated in an aggregated manner across all household accounts with a view to optimizing planning considerations. Portfolio adjustments and portfolio rebalancing will align closely with the client's investment policy and the asset allocation/asset class guidelines of the client's agreed portfolio structure, as updated from time to time. At least annually, or as notified by client, Advisor will consult with client to review their household accounts to determine whether, due to changes in the client's objectives or financial circumstances, whether their investment policy or portfolio structure should be modified.

Investment management normally is integrated with financial planning and consulting based on one of three service levels:

- **Standard, Service Level 1.** Aggregated accounts are coordinated and managed according to clients' investment policy. Moderately standardized risk-based models are used. Level 1 clients paying at least \$1,250 quarterly (per schedules in *Item 5*) receive core financial planning and consulting services per their associated planning agreement in addition to asset management. Limited to institutional-class mutual funds and/or ETFs together with any legacy securities in client custodial accounts. Employer retirement and deferred compensation plans may be coordinated as part of an overall financial planning strategy. Clients qualified for Level 1 services receive annual core planning services regardless of assets under management value of holdings in their custodial accounts.
- **Preferred, Service Level 2.** Aggregated accounts are coordinated and managed according to clients' investment policy. Level 2 clients paying \$2,500 or more quarterly (per schedules in *Item 5*) receive biannual financial planning services and limited advanced consulting per their associated planning agreement in addition to asset management services. Primarily, institutional-class mutual funds and/or ETFs together with any legacy securities are in client custodial accounts. Employer retirement and deferred compensation plans, 529 plans, and variable annuities, as well as client's rental real estate, may be integrated into a client planning strategy. Preferred clients may obtain enhanced premium level services with a modified agreement describing those services.
- **Premier, Service Level 3.** Aggregated accounts are coordinated and managed according to clients' investment policy. Portfolio structure modeling is more customized. Level 3 clients paying \$12,500 or more quarterly (per schedules in *Item 5*) receive biannual financial planning services and biannual advanced planning services such as tax preparation and assistance. Primarily, institutional-class mutual funds and/or ETFs and SMA



arrangements, together with any legacy securities, are in client custodial accounts. Employer retirement and deferred compensation plans, 529 plans, and variable annuities as well as rental real estate, alternatives, or private equity, may be integrated into a client planning strategy. Premier clients may obtain customized premium level services with a modified agreement describing specific services.

- **Independent Investment Managers (“IMA”).** Advisor may recommend certain client assets be apportioned among unaffiliated separately managed accounts (“SMA”), such as those of Dimensional Fund Advisors. (See *Item 8. C.*) For such assets, the IMA(s) shall have day-to-day responsibility for discretionary portfolio management based on client guidelines and restrictions. Advisor shall render investment advisory services relative to ongoing monitoring and review of account performance, factor consistency and coordination within the overall investment management strategy. Advisor considerations for recommendation of any IMA(s) will be driven by client’s tax situation, account location, written objective(s), methodology of the manager, tax-efficiency, quality of research, reporting, performance, pricing, and manager reputation. IMA(s) when engaged will charge an investment advisory fee separate from that of Advisor. Advisor’s Premier fee schedule will be offset by the amount of such fee(s) and applicable toward service levels

- C. **Investment advisory services are personalized.** Investment management strategies are based on clients’ individual goals, values, preferences, needs, and particular situation, and integrated into the financial management process. The tax impact of changes in taxable accounts relative to repositioning assets located in pre-tax IRAs and employer plans is considered.

During the financial planning process, client approves an investment policy and strategy. Advisor then implements and monitors continuously investment accounts primarily custodied with Charles Schwab & Co. At least annually, Advisor requests a planning and portfolio meeting to formally review the clients financial planning and asset map, together with their investment progress, at the same time learning of concerns and changes in their personal circumstances. While entirely at their discretion, client cooperation is necessary to reconfirm investment policy and portfolio structure, and to affirm proposed portfolio changes likely to be made during the current calendar year.

Clients at any time may impose restrictions or limitations, in writing, either regarding investing in certain securities or restricting sales of certain securities. Such restrictions, however, must be consistent with prudent investment policy corresponding to fiduciary standards, including those within the meaning of Title I of the Employee Retirement Income Security and/or the Internal Revenue Code. (ERISA plans are subject to specific regulatory restrictions.) Restrictions imposed by the client that are unacceptable to Advisor

may result in termination of the advisory relationship.

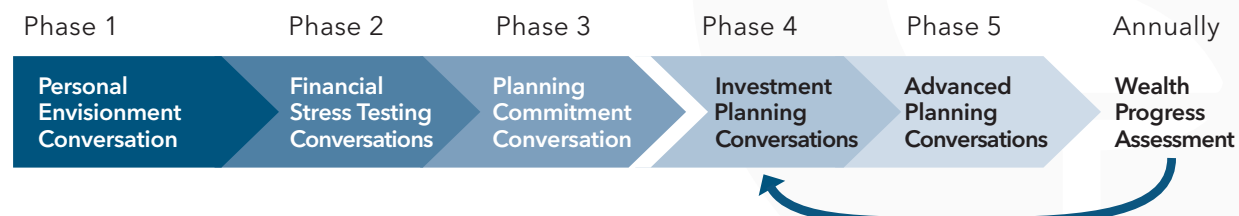
Advisor provides only limited advice regarding hedge funds, private equity ventures, limited partnerships or real estate ventures, or businesses. Where certain vehicles required special expertise, clients would be referred to a professional specialist whose charges would be in addition to, and separate from, those of the Advisor.

Introductory Planning Conversations: Advisor’s mission is to help clients with complicated lives and situations realize their hopes, goals, and dreams for financially secure retirement lifestyles, and to leave behind lasting family and charitable legacies. Confidently realizing client goals requires wise asset accumulation, mitigating taxes, protecting income, and preserving wealth.

Through a process involving five phases, Advisor helps clients envision their future life, prioritize their planning goals, and then develop a plan and process to make that a reality. An asset map of where they are that can be stress tested is developed to determine critical planning gaps. The feasibility of what the client envisions based on what Advisor is able to offer is stress tested. (*Phases 1 to 2 below.*) If there is a good fit, clients may engage Advisor, and the Financial Planning Process continues (*Phases 3 to 5 below.*)

1. **Personal Envisionment:** Advisor asks the prospective client couple to dream about what they want their life and their future lifestyle to be like, imagining the possibilities. Advisor may suggest goals common to other like themselves and explain what may interfere with a successful outcome in their situation. Using information client provides, an asset map arrangement is created and then variously stress-tested to discover the gaps.
2. **Financial Stress-Testing:** Advisor stress tests client envisioned goals and lifestyle against their current circumstances and expected resources and their targets. Almost always, gaps are found, so feasible approaches—saving more, spending less, working longer, getting improved returns—are discussed to decide whether Advisor can help, and so whether we could be a good fit for them.
3. **Planning Commitment:** If Advisor and client believe they can collaborate, they proceed to consider Advisor finds feasible. They commit to working together once there is mutual agreement. Necessary agreements and paperwork, as well as arrangements to obtain additional information, are necessary to move to *Phase 4.*
4. **Investment Planning:** Developing an investment policy strategy and portfolio structure is the primary concern at this phase. Necessary analysis and studies are completed, then an integrated investment custodial platform is set-up, and customized to facilitate management, reporting and income and eventually future distribution of assets. Assets are transferred and investments are repositioned and relocated within a professional portfolio strategy.

PROFESSIONAL FINANCIAL PLANNING BY PHASE





5. Advanced Planning: Additional financial planning concerns such as income tax planning, insurance/ benefits planning, protection planning, and estate/legacy planning, including necessary collaboration with professional specialists. prioritized by their relative importance and their urgency.

Wealth Progress Assessments: Annually after the first full year, planning progress is evaluated. Based on changes in health, employment, or family circumstances, plus tax and economic situations. Advisor provides periodic education related to specific financial and wealth planning topics.

Investment Risk: Different types of investments involve varying degrees of risk and exposures to different risks. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including particular investments and/or investment strategies recommended or undertaken by Advisor) will be profitable or equal any specific performance level(s) such as suggested in an investment policy statement or other historical documents used for client planning purposes. Historic past performance or recent past performance is no guarantee or assurance of future results. Performance may be adversely affected by client insistence on making undisciplined equity changes during periods of high market volatility that contradict their investment policy or recommendations of Advisor.

Use of Dimensional Fund Advisor mutual fund portfolios: Many mutual funds are directly available without the need to engage an investment professional as an intermediary. That is, they may be available and utilized independent of engaging Advisor. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are only available through a specially approved group of registered investment advisers or as part of an employer's 401k plan. Advisor utilizes DFA mutual funds and DFA exchange traded funds (ETFs) for much of their investment management. Therefore, if client decides to terminate Advisor's services without first selling those fund portfolios, restrictions regarding transferability and/or additional purchases of, or reallocation among, DFA mutual funds could apply. This restriction does not apply to the availability of DFA ETFs for trading where they are used as part of a client's portfolio.

Advisor independence: Advisor is independent of any broker-dealer, insurance company, or banking institution. Custodial services are recommended primarily through Charles Schwab & Co. (for more information, see *Item 12*). Annuities, insurance, or 529 plans may be through TIAA, Transamerica Life, Hartford Life, the Vanguard Group, and others. Additionally, client will continue to maintain existing employer retirement accounts such as 401(k), 403(b), or 457 plans. Advisor will not be a fiduciary under ERISA with respect to any such employer plans. Client may request a rollover from employer retirement plans after termination of employment.

Retirement Rollovers—Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (including a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out plan account assets (which likely would result in adverse tax consequences, especially for those under age 60). If Advisor recommends that a client roll over their retirement plan assets into an account arrangement we

manage, such a recommendation creates a conflict of interest if new or increased compensation is earned as the result of the rollover. When we provide investment advice regarding your retirement plan or individual retirement account, we are fiduciaries within the meaning of the Employee Retirement Income Security and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. No client is under any obligation to rollover retirement plan assets to accounts directly managed by Advisor.

Portfolio Activity: Advisor has a fiduciary duty of loyalty and care as an investment advisor as well as a CFP® professional to provide services consistent with the client's best interest. As part of its investment advisory services, Advisor will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, account additions/withdrawals, rebalancing asset allocations due to style drift, loss harvesting, tax bracket leverage, and/or written changes in the client's investment objective or restrictions requested by the client. Based upon these considerations, there may be extended time periods when Advisor determines that any changes to a client's portfolio or a particular account are neither necessary nor prudent. Clients nonetheless remain subject to fees described in *Item 5* below during periods of low or no account activity. Correspondingly, Advisor fees will not increase due to periods requiring unusually high account activity or if special account services are needed.

Cash Positions: Advisor treats cash as an asset class. As such, unless determined to the contrary by Advisor, all cash positions (money markets, cash balances, etc.) shall continue to be included as part of assets under management for purposes of calculating Advisor's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Advisor may maintain cash positions for anticipated cash flow purposes (such as scheduled income withdrawals) or to cover contingent limit markets order to purchase equity EFTs based on specified purchase prices in a market decline that may or may not occur. In addition, while assets are maintained in cash or cash equivalents, such amounts could miss market advances. Depending upon current yields, at any point in time, Advisor's advisory fee could exceed the interest paid by the client's money market fund.

Cash Sweep Accounts. Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion Advisor shall (usually within 30 days thereafter) generally (with exceptions to 60 days or longer for those with monthly or special periodic distributions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Advisor reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from



the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

The above does not apply to the cash component maintained within an actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager and cash balances maintained for fee billing purposes.

The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any unmanaged accounts.

Pontera: Advisor uses Pontera, a third-party platform to facilitate the management of held away assets such as defined contribution plan participant accounts, with discretion. Those clients who choose to engage the Advisor to service their held away accounts will be provided a link to connect their outside accounts to the platform. Once the client's account(s) is connected to the platform, Advisor will review the client's current account allocations. Advisor will restructure and/or rebalance the connected outside accounts consistent with the client's investment policy goals and risk preferences. Client account(s) will be reviewed at least quarterly.

ByAllAccounts: In conjunction with automated reporting services provided by ByAllAccounts, Inc, the Advisor provides periodic comprehensive reporting services, which can incorporate all of the client's investment assets including those investment assets that are assets not directly managed by the Advisor (the "Excluded Assets"). The Advisor's service relative to the Excluded Assets is limited to supervisory services only, which does not include investment implementation but requires instructions to the client to take specific action(s). Because the Advisor lacks trading authority for the Excluded Assets, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional) shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The client and/or their other advisors that maintain trading authority, **and not the Advisor**, shall be exclusively responsible for the investment performance of the Excluded Assets. Without limiting the above, the Advisor shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that the Advisor provide investment management services with respect to the Excluded Assets, the client may engage the Advisor to do so pursuant to the terms and conditions of the Investment Advisory Agreement between Advisor and client.

Occasionally, clients may be requested to provide detailed employer 401k/403b/457 statements to Advisor for the purpose of updating information provided through ByAllAccounts due to a system break or temporary interruption of service. The information is needed to reconstruct or validate share histories or daily pricing. In the event of such an event, clients are expected to provide missing 401k/403b/457 transaction information and cooperate with Advisor with resetting system connections to ByAllAccounts in a timely manner.

Socially Responsible (ESG) Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/

factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Advisor), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful. Advisor does not maintain or advocate an ESG investment strategy but will seek to employ ESG if directed by a client to do so. If implemented, Advisor shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account portfolio manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

Cryptocurrency: For clients who want exposure to cryptocurrencies, including Bitcoin, Advisor, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, Advisor will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment.

Advisor does not recommend or advocate the purchase of, or investment in, cryptocurrencies. Advisor considers such an investment to be speculative.

Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for **liquidity constraints, extreme price volatility and complete loss of principal.**

Client Obligations. In performing financial planning services, Advisor shall not be required to verify any information received from client or from client's other professionals and is expressly authorized to rely thereon based on what has been provided or not. Moreover, each client is advised that it remains their responsibility to promptly notify Advisor if there is ever any substantial change in their financial situation or investment objectives. This is for the purpose of reviewing, evaluating, or revising Advisor's previous recommendations and/or services. Notice to Advisor **must be** provided in writing by mail or email. For non-discretionary accounts such as employer plans, client is expected to act promptly upon specific emailed instructions provided to them by Advisor, or to get back to Advisor promptly with any questions related to such emailed instructions.

D. Advisor does not participate in a wrap fee program.



E. As of December 31, 2023, Advisor had approximately \$191,543,584 in regulatory assets under management with \$171,799,999 in discretionary assets and \$19,743,585 in non-discretionary assets among 102 client households and 3 institutional relationships. \$14,303,622 of non-discretionary assets was associated with employer retirement plans.

Item 5/Fees and Compensation

A. Advisor's fee for Investment Advisory services for investment management includes limited Financial Planning and Consulting ("FPC") services (see pages 8 and 9). Levels and particulars of FPC services are described in the client's FPC agreement. Clients may elect additional or higher levels of FPC services: either as a "premium" surcharge or specifying particular consulting services to be added. FPC agreements automatically renew as long as the Investment Advisory Agreement is in effect and terminate at the end of the same quarter when the Investment Advisory Agreement is terminated. One-time consulting services will terminate the FPC agreement upon completion unless otherwise stated.

B. Advisor's fee schedules combine fixed and variable components. Standard, Preferred and Premier service levels each has its own minimum fee schedule without regard to household assets under management that includes that level's financial planning services. Client's advisory fee increases as assets growing under management offset fee minimums. Advisor fees are separate from those of attorneys, CPAs and non-affiliated professionals assisting with plan implementation.

FINANCIAL PLANNING AND CONSULTING

Clients desiring only FPC services without investment management may use a flat fee schedule (see Page 8). Financial planning and consulting services not covered by any of the three service levels, as described in Item 4 (B) can be added either for a negotiated flat fee or hourly charges if time the scope of the engagement is undeterminable.

Financial Planning & Consulting (Standard, Preferred and Premier Levels): The Advisor's FPC fee depends on a combination of client's income and net worth (excluding primary residences and personal property). "Net worth" includes any employee retirement plan, as well as commercial real estate interests. Generally business interests will be excluded unless material to tax, estate, or legacy planning (valuations are not provided).

The minimum FPC fee without an engagement of investment advisory services is \$10,000. A 50 percent retainer is required. The introductory financial stress-testing phase requires no retainer. If Advisor is engaged for investment advisory services prior to

completion of the engagement (or up to sixty days thereafter), the remaining FPC fee due will be applied toward initial investment management fees. Item 4, "Financial Planning and Consulting" describes levels of service that may be available. Where a client terminates their investment management agreement in a quarter where FPC services have been provided, they may be chargeable against otherwise refundable investment advisory fees.

Hourly Advisory Fees: For purposes of an hourly engagement, Paul Byron Hill CFP® is \$500 per hour; Kam-Lin Kok Hill CFP® \$350 per hour; all other CFPs \$250 per hour; \$125 per hour for other team members. A 50% retainer of estimated time may be requested. Hours charged to client will not exceed the estimate without pre-approval. Unused retainers are refundable.

Custodial Account and Platform Arrangement fees: Arranging account set-ups for Charles Schwab & Co., 529 plans, annuity providers or employer accounts coordinated with our reporting platform is chargeable. Fee includes any platform set-up for bundled reporting, connections with Advisor's platforms, aggregation set up, and financial planning system integration.

Platform Arrangement Fees: Advisor charges \$500 for each personal Charles Schwab custodial arrangement and/or employer retirement plan coordination up to the first ten. The fee is at least \$1,000 for each for any trust-related custodial account arrangement, including business retirement plans, irrevocable trusts, or charitable trusts/donor advised funds. Set-up fees could be greater if additional time and effort is needed.

Insurance & Annuity Consulting Fees: Consulting related to low-fee/no-fee annuities and life insurance is a minimum of least \$5,000. Advisor must evaluate products and services, obtain suitability information, evaluate justifiable cost, reasonable performance, and appropriate risk, to determine whether such transaction is in the "best interest" of client (CFP® professional standards and New York Department of Financial Services Reg 187 apply). Further products/vehicles are available in all states or client may not qualify due to health. Where related parties of Advisor receive reimbursement fees, they will be disclosed to the client and such assets will not be subject to investment inclusion.

INVESTMENT MANAGEMENT SERVICES

Advisor's fee for investment management services (between 0.40% and 1.50%) is calculated as an annual percentage (%) of market value of client assets combined in all accounts under management. Fee schedules (see Page 9) for Standard, Preferred or Premier financial planning have distinct household minimum asset management thresholds related to those service levels.

1. Standard Supervisory—Level 1. This schedule applies to household accounts in aggregate primarily custodied under a single platform with Charles Schwab. Clients subject to a \$1,250 minimum quarterly fee are entitled to incidental financial planning and consulting services as described in Item 4. Institutional-class mutual funds and/or ETFs together with legacy securities, are maintained in client's custodial accounts. 529 plans and/or employer retirement and deferred compensation plans may be supervised and coordinated if access is provided and subject to scheduled advisory fees. Clients may qualify for Level 1 financial planning services by agreeing to pay the minimum Standard fee. For children and/or parents and/or certain trusts treated as part of same household but reported separately, and the minimum fee may be waived but financial planning services are

FINANCIAL PLANNING & CONSULTING (NON-INVESTMENT) SCHEDULE

Client Household	If Income and Net Asset Base	Annually
Standard Level Report	Up to \$2 million	\$10,000
Preferred Level Report	\$3 million and above	\$25,000
Premier Level Report	\$5 million and above	\$50,000
Supreme Level Report	Negotiated	Negotiable

If investment advisory services are engaged prior to completion of FPC services, or within 60 days thereafter, up to 50% of the advisory fee for planning paid or payable may be applied to initial investment management services.



not provided. For Level 1 clients to qualify for financial planning services, **at least** 75% of client financial resources (such as bank, brokerage, employer retirement and deferred comp accounts, RSUs) must be under Advisor advisement.

- 2. Preferred Management—Level 2.** This schedule applies to household accounts in aggregate primarily custodied under a single platform with Charles Schwab. Clients subject to a \$2,500 minimum quarterly fee are entitled to core financial planning and consulting services as described in *Item 4*. Institutional-class mutual funds and/or ETFs together with legacy securities, are maintained in client's custodial accounts. Employer retirement and deferred compensation plans, 529 plans, variable annuities and/or certain irrevocable trusts may be supervised and coordinated if access is provided and subject to scheduled advisory fees. Clients may qualify for Level 2 financial planning services by agreeing to pay the minimum Preferred fee. For children and/or parents and/or certain trusts treated as part of same household but reported separately, and the minimum fee may be waived but financial planning services are not provided.

For Level 2 clients to qualify for financial planning services, **at least** 75% of client financial resources (such as personal bank, brokerage, employer retirement and deferred comp accounts, RSUs) must be under Advisor advisement. If more than 25% of resources are excluded, a Premium surcharge for the first \$500,000 will be added.

- 3. Premier Management—Level 3.** This schedule applies to household accounts in aggregate primarily custodied under a single platform with Charles Schwab. Clients subject to a \$12,500 minimum quarterly fee are entitled to expanded financial planning and consulting services as described in *Item 4*. Institutional-class mutual funds and/or ETFs together with legacy securities, are maintained in client's custodial accounts. Employer retirement and deferred compensation plans, 529 plans, variable annuities, and/or certain irrevocable trusts may be supervised and coordinated if access is provided and subject to scheduled advisory fees. Rental real estate, alternatives, private equity, etc. may be integrated into a client planning strategy. Clients may qualify for Level 3 financial planning services by agreeing to pay the minimum Premier fee. For children and/or parents and/or certain trusts treated as part of same household but reported separately, and the minimum fee may be waived and incidental financial planning services may be provided.

For Level 3 to qualify for financial planning services, at least 75% of client financial resources (such as personal bank, brokerage, employer retirement and deferred comp accounts, RSUs) must be under Advisor advisement. If more than 25% of resources are excluded, a Premium surcharge for the first \$1 million will be added.

Advisor's investment advisory fee may be negotiable depending upon certain objective and subjective factors, including but not limited to: the total amount of family investible assets; timing of anticipated future additional assets; portfolio composition; the scope and complexity of financial planning services; the anticipated number of meetings and servicing requirements; related family or household accounts; future expected earning capacity; the particular professional(s) rendering service(s); prior relationships with us and/or our representatives, and length of Advisor relationship.

STANDARD SUPERVISORY SCHEDULE Level 1-Aggregated Household Accounts

Total Assets Advised	Per Quarter	Annualized Rate
First \$500,000	0.375%	1.50%
Next \$500,000 to \$1 million	0.250%	1.00%
Next \$1 million to \$5 million	0.200%	0.80%
Next \$10 million to \$15 million	0.175%	0.70%
Next \$10 million to \$25 million	0.150%	0.60%
Next \$25 million to \$50 million	0.125%	0.50%

Coordinated annual Level 1 financial planning services subject to minimum \$1,250 quarterly fee as offset by fee schedule calculations per above table. Financial planning services are not provided for ancillary members of a client household who are paying less than a \$1,250 quarterly fee.

PREFERRED MANAGEMENT SCHEDULE Level 2-Aggregated Household Accounts

Total Assets Advised	Per Quarter	Annualized Rate
First \$100,000	0.375%	1.50%
Next \$900,000 to \$1 million	0.250%	1.00%
Next \$1 million to \$5 million	0.200%	0.80%
Next \$10 million to \$15 million	0.175%	0.70%
Next \$10 million to \$25 million	0.150%	0.60%
Next \$25 million to \$50 million	0.125%	0.50%
More than \$50 million	0.100%	0.40%

Coordinated Level 2 Preferred level financial planning services subject to a minimum \$2,500 quarterly fee offset by fee schedule calculations per above table. Premium planning services at Advisor's discretion with a 0.125% quarterly asset surcharge on the first \$500,000.

PREMIER MANAGEMENT SCHEDULE Level 3-Aggregated Household Accounts

Total Assets Advised	Per Quarter	Annualized Rate
First \$500,000	0.375%	1.50%
Next \$500,000 to \$1 million	0.250%	1.00%
Next \$1 million to \$5 million	0.200%	0.80%
Next \$10 million to \$15 million	0.175%	0.70%
Next \$10 million to \$25 million	0.150%	0.60%
Next \$25 million to \$50 million	0.125%	0.50%

Coordinated Level 3 Premier level financial planning services subject to a minimum \$12,500 quarterly fee offset by fee schedule calculations per above table. Premium planning services at Advisor's discretion with a 0.125% quarterly asset surcharge on the first \$1 million.



As a result of these factors, similarly situated clients could pay different fees, client services could be available for less with a different advisor, and large institutional clients may pay less than the fee schedule.

- B. Client advisory fees ordinarily are deducted quarterly “in advance” directly from their respective custodial accounts in the first month of the current quarter. (Please note that clients upon request may pay Advisor fee directly.) The asset-based portion of our advisory services is calculated upon the *average daily balance* of the market value of all household accounts looking back to the last business day of the *previous quarter*, *pro-rated*, and offset by the minimum applicable service level quarterly fee. Cash positions during the previous period are included and considered as part of assets under management for the purpose of asset-based Advisory fee calculations.

Agreements with Charles Schwab authorize debiting accounts proportionally on a quarterly basis for the annualized fee (ordinarily one-fourth of the annualized rate quarterly as shown) and then that deducted advisory fee is remitted directly to Advisor in compliance with specific regulatory procedures.

For fees related to accounts not held with primary broker-dealer/custodian, those fees will be deducted from specified taxable custodial accounts or otherwise indicated in client advisory agreements. Where spouses mutually authorize for their household accounts, either spousal taxable account or a joint account may be debited, as directed. Clients directly paying advisory fees, if unpaid, will be debited 30 days from the date of Advisor’s quarterly billing. Supplemental fees under a supplemental *Financial Planning and Consulting Agreement* will be debited to specified custodial accounts.

- C. As discussed in *Item 12*, unless client directs otherwise or circumstances dictate, Advisor recommends that Charles Schwab and Co., Inc. (“Charles Schwab”) serve as the broker-dealer/custodian for investment advisory assets. Charles Schwab charges commissions and/or transaction fees for effecting certain securities transactions. Charles Schwab’s maximum transaction fee (electronically) for mutual funds is \$24, and \$0 for ETFs and stocks (electronically). In addition to all these fees, clients also incur charges imposed at the fund level for mutual fund and exchange traded funds (e.g., regular management fees and other maintenance expenses). Where ETFs and stocks are traded, imputed costs of buy/sell spreads typically occur.

Advisor ordinarily recommends investments with Dimensional Fund Advisors. Dimensional Fund Advisors institutional-class mutual fund management fees and other charges may range from .08% to .59% annualized (net expense to investor). Dimensional ETFs range from .09% to .43% annualized.

Annuity investments that Advisor may recommend have maintenance and expense (M&E) charges at the account level in addition to fund expenses. These include 529 college plans. Examples are Hartford Life Insurance (WV SMART529 Select) for static and age-based portfolios range from .67% to 1.02% annually. Transamerica Life (NY) Advisors Edge charges .55% annually M&E and administration charges plus a \$30 annual policy charge plus fund management fees plus additional costs for optional benefits such as promise-based income riders.

- D. Advisor’s investment advisory fee shall be prorated and paid quarterly, in advance, based upon prior quarterly account

balances. A minimum fee for “Standard,” “Preferred,” and “Premier,” level clients as described in *Item 4 (B)* is a deduction from the *Standard, Preferred, or Premier Management Schedules*, offsetting the asset under management calculation or setting the minimum fee for the calendar quarter in the event that the AUM calculation does not meet that level’s minimum.

Advisor, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its annual minimum fee or set-up fees based on certain criteria (i.e., relationship to primary household account owners, total dollar amounts to be managed, anticipated future additional assets, account composition, inception of historical advisory relationship, anticipated level of wealth services, etc.). Certain adjustments for non-primary household accounts may not be applied similarly to clients who are not related to primary family members as to other clients.

Clients subject to Advisor’s annual minimum fee for their level of service may pay a percentage fee effectively higher than the annual fee percentage referenced in the *Standard, Preferred, or Premier Management Schedules* shown on Page 9.

The *Investment Advisory Agreement* between Advisor and client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement. As of the date of termination, Advisor shall refund a pro-rated portion of the advanced advisory fee deducted based upon remaining days in the billing quarter, adjusted by the minimum fee pertaining to financial planning services provided for that quarter, if any. Charges related to financial planning services provided during the quarter under the terms of a *Financial Planning and Consulting Agreement* shall be charged against the unearned portion of the investment management portion of the fee, but not to exceed the billing for that quarter.

- E. Neither Advisor nor its representatives accept compensation (commissions) from the sale of securities or other investment related products for performing investment advisory services. As stated in *Item 5(A)* related persons can receive reimbursements for insurance product implementation with client disclosure to offset financial planning and consulting fees otherwise payable, but only where such products are in the client “best interest” relative to products paying no commissions. In those cases, the client would be expected to pay only the regular planning fee.

Disclosure Statement. A copy of Advisor’s written Disclosure Brochure and client Relationship Summary as set forth on Form ADV Part 2 A and Form CRS, respectively, shall be provided to each client prior to, or contemporaneously with, execution of the *Investment Advisory Agreement* and/or *Financial Planning and Consulting Agreement*.

Disclosure for Certified Financial Planners™: Clients have the right to ask at any time about compensation arrangements regarding an Advisor employee licensed as a CFP® professional with the CFP® Board of Standards.



Item 6/Performance-Based Fees and Side-by-Side Management

Neither Advisor nor its representatives charge performance-based fees or engages in the practice known as side-by-side management.

Item 7/Types of Clients

Advisor offers advisory services primarily to high-net-worth individuals and their immediate family members, to successful individuals, their families, and legacy clients. Also, small pension and profit-sharing plans, family trusts, estates, charitable trusts and small business entities associated with high-net-worth clients.

Item 8/Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis: Decades of empirical research in financial science points to systematic differences in expected returns of stocks and bonds. Based on modern financial science, Advisor believes that market prices contain reliable information about systematic differences in expected security returns, and so may be interpreted as predictions, or forecasts of the future.

Market prices can provide unbiased, real-time information about returns that people require to hold investments. This brings order and clarity to investing—explaining market forces that drive persistent and pervasive returns within financial markets through information extracted from prices set within a highly competitive marketplace. If information can be used effectively and systematically, risk can be managed better and expected returns increased by knowing which stocks and bonds require a high return to hold and knowing those requiring only a low return.

Dimensional Fund Advisors' extensive research team has systems that efficiently extract information from prices, and effectively manages risk with that information. Their models and portfolio strategies embody four decades of expertise in applying great ideas in finance to portfolio management. Consequently, Advisor trusts Dimensional wealth models for structuring a research-driven, systematic framework customized for each client's situation to pursue a wide range of financial planning goals through a lifetime of wealth accumulation and distribution.

- **Our models are systematic and transparent in their approach.** They are guided by one investment philosophy and a proven implementation process consistently across all Dimensional regional portfolio strategies for unified asset allocation.
- **Our models target higher expected returns.** The targeted allocations of our model strategies use Dimensional portfolios designed to go beyond indexing by pursuing higher expected returns in a diversified, cost-effective manner.
- **Our models are empowered by financial science.** Dimensional pioneered applying academic research to factor-based investing strategies. Dimensional models integrate advanced academic thinking, including Nobel laureates on Dimensional's boards, on financial theory, research, and implementation.

Advisor also relies on multiple information sources that include financial publications, research materials, subscription services and resources: Schwab Advisor Services, JP Morgan, Vanguard, Financial Perspectives, Kitches, Morningstar Direct, MoneyGuide Pro, and Asset-Map, but primarily science-based resources of Dimensional Fund Advisors.

INVESTMENT STRATEGIES

Advisor's investment strategies go far beyond indexing without paying attention to specific securities. Mutual funds and exchange-traded funds utilize are invested in a range of domestic and international equity to fixed income asset classes. Dimensional funds help Advisor to apply research on factor investing systematically for implementing aggregated household accounts. Further, it reliable allows Advisor to match investment policies to their investment portfolios as progress is monitored.

Advisor strategies are informed by financial science. As we explained, Dimensional applies advanced academic science to portfolios with clearly defined research factors and techniques derived from academic-level research. Dimensional funds allow Advisor to effectively apply a philosophy that avoids the need for unreliable forecasting methods, speculative market timing, or simply the result of educated "best thinking."

Advisor has a consistent, transparent, understandable framework. Dimensional asset allocations help Advisor explain to clients a systematic approach for portfolio design in a way they can understand. Clients see the logic for portfolio decisions made for them. Household strategies need only a relatively few component funds with the appropriate factor weightings for rebalancing and simplifies the aggregated household approach used for clients.

Allocating portfolio by account creates confusing overlapping, inconsistently mixing investment objectives and characteristics, causing poor outcomes, causing client confusion and concern in reporting.

Advisor more effectively targets reliable sources of higher expected returns. Dimensional's highly rigorous yet flexible approach allows Advisor to reliably select funds for a soundly structured portfolio strategy across a huge set of investible equities and fixed income securities in multiple regions across the world, Dimensional not only identifies systematic differences in returns,

DIMENSIONS OF FLEXIBLY MANAGED SYSTEMATICALLY STRUCTURED STRATEGIES



1. Relative price as measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.

2. Profitability is a measure of current profitability, based on information from individual companies' income statements.



but also pursues added value opportunities as usable information is discovered in real-time each day.

Dimensional portfolio further takes into account the interactions of premiums between funds and within the funds themselves.

Extremely broad diversification not only reduces risk but done in a way that keeps costs low. Flexibility in trading stocks to buy robustly reduces the negative market impact of active trading.

Equity Allocations: Valuation theory provides Advisor a meaningful framework to think about the drivers of expected stock returns when structuring client portfolios with Dimensional funds. The valuation framework guides developing informed household allocations for client portfolio when developing goal-based strategies. Market capitalization and stock returns contain information about prices investors are paying. Expectations about a firm's future cash flows are linked to its current value through an implied discount rate, which is equivalent to the expected return of a stock or an asset class of stocks.

Using the valuation framework, systematic differences in expected stock returns are identified by Dimensional for their funds along size, relative price, and profitability dimensions and applied to their mutual fund and ETF strategies in a structured manner. Small cap stocks show higher expected returns than large cap stocks (size premium); stocks with low relative price—as measured, for instance, by the price-to-book ratio—show higher expected returns than high relative price stocks (value premium); and high profitability stocks show higher expected returns than low profitability stocks (profitability premium). Profitability contains information about the cash flows they expect to receive. All else being equal, the lower the price paid for a security, the higher the expected return. Another insight is that, for a given price, the higher the expected future cash flows, the higher the expected return.

Fixed Income Allocations Separate from Equity: Fixed income is essential for mitigating volatility in an asset allocation strategy. Fixed income vehicles like bonds are not viewed in isolation, simply to provide income based on yield and maturities. Rather, within a Dimensional component structure, fixed income offsets the expected volatility and returns of equities in the strategies and can be arranged to fund retirement income liabilities year-by-year. The client's fixed income allocation proportion for their portfolio structure is guided by their investment policy, which describes the portfolio's targets, parameters, and constraints.

Valuation theory uses market prices of fixed income securities to identify and sort systematic differences in drivers of expected returns. Expected returns across bonds vary by duration, credit quality, and currency of issuance rather than by premiums.

Dimensional's management integrates research, portfolio design, and trading, all with the objective of enhancing overall returns and avoiding unnecessary costs (such as rebalancing with anticipated cash flows), avoiding unnecessary trading activity. Dimensional utilizes a dynamic variable maturity strategy for enhancing returns while mitigating volatility in bond portfolios.

Global Allocations by Regions: Advisor's structures client equity allocations with a global market perspective, not only concentrated in the US. Financial theory strongly implies that global diversification reduces country-specific risk. It provides investors a good rationale to hold the equity and fixed income securities of both U.S. and non-U.S. firms, reducing investor's natural home bias of habitually over-allocating to familiar territory. While all regions

potentially offer positive expected returns in the long run, different regions perform differently in the short-term. Still, no reliable evidence indicates that the performance of one country or region relative to another is predictable. Just because the U.S. is a leader this year, tells us nothing about next year. Financial theory further implies that holding multiple regions near their market cap weights is a sensible asset allocation approach. Dimensional begins with a weighting by market capitalization, and then applies the company size, relative price, and profitability dimensions and applied to their mutual fund and ETF strategies which Advisor employs.

While Advisor has a range of models for client risk preferences, risk capacities, and time horizons, modelling asset class returns to determine asset allocation strategies should not be based purely on historical ex post investment outcomes or ex ante return assumptions. That is typical of popular, but opaque, "optimization" techniques. We do not employ optimization for determining asset allocations. Instead, we rely on composite factor premium extracted from Dimensional's research. Reliance upon guesstimated parameters using the old CAPM framework is likely to result in unrealistic or even nonsensical allocations.

Considerations for Taxable Accounts: To mitigate potentially high tax burdens, Advisor implements several investment strategies designed to minimize taxes as described below. Maximizing after-tax returns is a more desirable goal than maximizing before-tax returns. Still, our decisions are based primarily on investment merit while our tax considerations are secondary.

Advisor will prefer holding higher yielding, ordinary income producing assets (i.e., taxable bonds and high dividend producing stock funds) in qualified accounts. Low income, capital gain producing investments (i.e., domestic stock funds) will be placed in taxable accounts where appropriate. As a result, taxes can be deferred on capital gains and may enjoy lower tax rates when realized and step up in basis upon death rather than lost in a tax-exempt account. Accordingly, the asset classes will vary substantially in household accounts based in part on the tax treatment of the assets. However, in aggregate, household portfolios will reflect the risk, return, and asset allocation objective of the client.

In taxable, non-qualified accounts, assets are likely to generate both ordinary income (i.e., dividends and interest) and capital gains (short and long-term). To mitigate tax liability Advisor may deem tax-managed equity funds appropriate in order to minimize capital gain distributions and assure distributions made are generally incurred at long-term capital gain tax rates instead of higher short-term tax rates. While such funds may incur modestly higher expense ratios, the net, after-tax return can be significantly higher. For clients in a high marginal tax bracket, we may utilize municipal bond investments to maximize the after-tax return on the taxable portion of the fixed income portfolio. Factors such as the client's current tax situation, yield spreads between municipal and taxable bonds, and investment vehicles are considered.

However, Advisor may deem it appropriate to retain securities with unrealized capital gains even though we believe there is a better investment alternative, due to the potential capital gains liability. We will sell assets with unrealized capital gains when, in our opinion, the long-term risk reduction or return enhancement benefit of a replacement investment justifies paying current capital gains tax, to realize future investment benefit.

Advisor may engage in tax loss arbitrage (i.e., loss harvesting), when tax benefits exceed related transaction costs and risk. We will



attempt to capture capital losses which could be used to offset other realized capital gains or be inventoried to offset future gains.

RISK OF LOSS

Investing in securities always exposes clients to risk of loss. Different types of investments involve varying degrees of risk. The future performance of any strategy or model should not be assumed to be profitable or to equal historic performance. Past performance is no guarantee or any assurance of future returns. You may lose money, regardless how long you are invested.

The future is always uncertain. Future economic, political, social event and personal circumstances that could negatively impact decision-making and your ability to continue bearing investment risk, including the timing of possible events, are unknowable.

Summarized are important risks to consider whenever investing:

- **Return Risks:** Past performance is not a guarantee or assurance of future returns. Investing in securities involves risks that are out of Advisor's control. There is never any guarantee that a client's particular investment policy or investing strategy will meet their investment return objectives. A risk of loss of both income and principal includes mutual funds and exchange traded funds (ETFs), as well as any other financial product or vehicle.
- **Economic and Market Risk:** Companies and securities in which a client can invest may be sensitive to general downward swings in the overall economy or conditions in their specific industries or geographies. A major recession or adverse developments in the securities market might have a negative impact on client's investments. Factors affecting economic conditions, including inflation rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military, and diplomatic events and trends can adversely affect business prospect, and consequently expected returns for investments.
- **Security Selection Risk:** The value of an individual security and, similarly, the value of an investment in that security, will rise or fall, often wildly. Advisor's investment processes and strategies may favor specific securities, industries or sectors that underperform investments in other securities, industries, sectors, or the general market for extended periods of time.
- **Credit Risk:** The risk of loss caused by a counterparty's or debtor's failure to make a timely payment, or by the change in value of a financial instrument based upon changes in default risk. This is mitigated by diversification of funds.
- **Inflation Risk:** When inflation exists due to an artificial oversupply of currency to the public, a dollar next year will not be worth as much or buy as much as a dollar today. Purchasing power erodes at the rate of inflation. The value of investment returns may thereby be reduced unpredictably.
- **Securities of Investment Companies and Exchange Traded Funds Risk:** Advisor recommends exchange traded funds (ETFs) or securities of other investment companies, such as open-end investment companies. These types of investments represent interests in professionally managed portfolios that can invest in any type of instruments. Investing in ETFs and other investment companies involves substantially the same risks as investing directly in the underlying securities, but it involves additional expenses at the investment company level, such as a proportionate

share of portfolio management fees and operating expenses. Certain types of investment companies and ETFs are exposed to other risks: (1) ETF and investment company shares may trade above or below their net asset value; (2) an active trading market for ETFs and investment company shares may not develop or be maintained; or (3) trading of ETFs or investment company shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

- **Technology System Risks:** Advisor and clients for whom we serve depend heavily on telecommunication, information technology and other operational systems, whether Advisor's or those of others (e.g., custodians, financial intermediaries, transfer agents and other parties to which Advisor or they may outsource the provision of services or business operations). These systems may fail to operate properly or become disabled due to events or circumstances wholly or partly beyond Advisor's or their control, such as war or pandemics.
 - **Cybersecurity Risks:** The information technology systems and networks that Advisor and its third-party service providers use to provide services to clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Advisor's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Advisor are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, costs, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems.
- Although Advisor has established its procedures to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Advisor does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.
- **Regulatory Risks:** Changes in laws and regulations with differing levels of impact continually affect our business. We cannot predict the impact of future legal and regulatory changes on our business or on the services such as financial planning that we would be able to provide clients in the future.
 - **Personal Planning Risks:** Includes longevity risk, withdrawal risk, savings risk, leverage risk and spending risk among others that apply to the client as an individual investor and their preferences or capacity or situational ability to consistently maintain risk closely aligned with their personal investing strategy policy.

B. Advisor's primary investment strategies and methods of analysis do not present significant or unusual risks. The investment management process primarily employs mutual funds and exchange-traded funds (ETFs) as opposed to emphasis on selecting individual securities or speculating in short-term or leveraged trading activities.



Advisor emphasizes utilization of mutual funds and ETFs. The mutual fund industry has rules and regulations designed to benefit investors. Mutual funds are principally regulated by the Securities and Exchange Commission (SEC) under several laws including the Securities Act of 1933, Securities Exchange Act of 1934, which established the SEC, and the Investment Company Act of 1940. These laws regulate the formation and activities of mutual funds as well as mutual fund investment advisers, principal underwriters, directors, officers, and other parties providing services to the fund.

The rules of the regulated mutual fund industry are intended to protect investors, and it's critical that investors to fully utilize information available to make decisions after careful analysis in consultation with a trusted financial advisor.

Advisor's method of analysis has inherent risks For an informed analysis Advisor must have access to accurate market information. Advisor has no control over the timing or dissemination rate of market or security information; therefore, certain analyses may be compiled with inaccurate information, limiting the value of Advisor's analysis. There can be no assurances that any investing methodology will materialize into profitable investment strategies within a client's planning horizon, if at all under certain extreme market, economic, or political conditions.

Furthermore, no promises or assumptions can be made that Advisor's services will provide a better return than any other investment strategy. Advisor does not represent, warrant or imply that the services or methods of analysis used can or will predict future results, identify market tops or bottoms, or insulate clients from losses due to market volatility or serious market corrections.

Advisor's preference for science-based systematic multifactor solutions obtained through Dimensional Fund Advisors have inherent limitations and risks. Clients can lose money, regardless of how long they may be able to remain invested. For example, Dimensional factor strategies occasionally will experience periods of ten years or longer before certain expected return premiums are realized, which is why Advisor portfolios are broadly diversified. Additionally, while clients are aware that long-term commitment to their investment strategy is essential, even during periods of great market uncertainty, uncontrollable personal circumstances (unemployment, adverse health change or family breakdowns) may require substantial liquidity at inconvenient times or impair client's ability to continue bearing a systematic level of portfolio risk necessary to realize the expected returns anticipated.

- C. **Licensed Insurance Agents.** Paul Byron Hill and Kam-Lin K. Hill, each a related person of Advisor, and may share in compensation payable to an agent if financial instruments such as annuities or insurance are purchased

Conflict of Interest: Recommendation by either Advisor or its related persons presents a conflict of interest, as the receipt of reimbursement as insurance brokers provides an incentive to recommend financial instruments based on compensation received rather than need. However, placement fees paid to a related party of Advisor will waive ongoing advisory consulting and implementation fees otherwise payable to Advisor. As CFP® professionals and New York licensed brokers, related persons of

Advisor have a fiduciary duty to evaluate all products, services, and transactions available, relevant suitability information, and consider the cost, expected return and financial risk justifiable and appropriate in the best interest of client (CFP® professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable products are available and deemed to be in client's best interest, they will be recommended, and client would pay Advisor's standard planning and consulting fees. SPIAs and DIAs/QLACs implemented are not subject to ongoing AUM charges, so total client fees may be less than the standard fee arrangements. Still, client is under no obligation to purchase any product from a related person of Advisor, and implementation is entirely at client's discretion.

Item 9/Disciplinary Information

On September 9, 2024, the Securities and Exchange Commission issued an order instituting administrative and cease-and-desist proceedings, making certain findings and imposing certain sanctions. The settled order provides that Professional Financial violated a revised provision of Rule 206(4)-1 of the Investment Advisers Act in connection with the dissemination of certain advertisements containing third-party rankings. Per the SEC order, Professional Financial disseminated an advertisement on its public website and related materials containing what they determined to be a third-party rating for a single recognition item that did not clearly and prominently disclose the date upon which the rating was given, and the period of time upon which the rating was based. Professional Financial had considered the matter a historical professional recognition and had previously presented it with an associated video from a connected event on its website and as part of short biographical references in certain materials for several years. Without admitting or denying the findings of the settled order, Professional Financial consented to the entry of the order, was ordered to cease and desist from violating certain provisions of the Investment Advisers Act, was censured and agreed to pay a civil monetary penalty.

Item 10/Other Financial Industry Activities and Affiliations

- A. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. (8) **Licensed Insurance Agents.** Paul Byron Hill and Kam-Lin K. Hill, each a related person of Advisor, and may share in compensation payable to an agent if insurance or annuities are purchased.

Conflict of Interest: The recommendation by either Advisor or its representatives presents a conflict of interest, as the receipt of reimbursement as insurance brokers may provide an incentive to recommend financial instruments based on commissions received rather than on need. However, outside compensation paid to a related party of Advisor will cancel advisory consulting fees otherwise payable to Advisor for implementation. As CFP® professionals and licensed brokers in New York, related



persons of Advisor have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance, and appropriate risk in the best interest of clients (CFP® professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable products are available and deemed to be in a client's best interest, they will be recommended, and client would pay Advisor's standard planning and consulting fee. SPIAs and DIAs/QLACs implemented are **not** subject to ongoing AUM charges, so total client fees may be less than standard fee arrangements. Still, client is under no obligation to purchase any product from a related person of Advisor, and implementation is entirely at client's discretion.

- D. Advisor has no agreements in place with other investment advisors but may establish such agreements in the future.

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

- A. Advisor maintains an investment policy relative to personal securities transactions. This investment policy is part of Advisor's overall Code of Ethics, which serves to establish a standard of business conduct for all of Advisor's Investment Advisory Representatives that is based upon fundamental principles of openness, integrity, honesty and trust. A copy is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, Advisor also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Advisor or any person associated with Advisor.
- B. Neither Advisor nor any related person of Advisor recommends, buys, or sells for client accounts, securities in which the Advisor or any related person of Advisor has a material financial interest.
- C. Advisor and/or its representatives can buy or sell certain securities (stocks, bonds and similar securities) that may be recommended to clients. This practice can create a situation where Advisor and/or its representatives are in a position to materially benefit from sale or purchase of those securities, creating a conflict of interest. Practices such as "scalping" (i.e., whereby owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon rise in market price following the recommendation) could take place if Advisor did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Advisor's clients) and other potentially abusive practices.

Advisor has a personal securities transaction policy and procedures in place to monitor the personal securities transactions and securities holdings of each of Advisor's "Access Persons." Advisor's securities transaction policy requires that Access Person of the Advisor must provide the Advisor must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Advisor selects.

(However when Advisor ever has only one Access Person, submitting such securities reports is not required.)

- D. Advisor and/or its representatives *may* buy or sell certain securities, at or around the same time as those securities are recommended to clients. This practice could create a situation where the Advisor and/or its representatives are in a position to materially benefit from the sale or purchase of those securities, a conflict of interest. As indicated above in *Item 11 (C)*, Advisor has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each Access Person.

Additionally, each Access Person must provide quarterly transaction reports within thirty days after the end of each calendar quarter.

Exceptions: (1) Advisor's investment policy recognizes that certain securities purchased and sold on behalf of clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on markets of those securities. Under such circumstances exceptions may be made to the policies stated above; records of those trades, including the reasons for the exceptions, will be maintained with records in the manner set forth above. As a matter of Advisor policy, Access Persons are not allowed by Advisor to trade individual stocks or bonds that could conceivably create a conflict of interest. In any case, if ownership of such securities occurs due to unforeseen circumstances (such as an inheritance), any Access Persons will be "last in" or "last out" for the trading day.

(2) Interests of Advisor's Access Persons often correspond with those of clients, and Advisor invests in Dimensional funds similar to those they recommend to clients. Open-end mutual funds and/ or variable annuity subaccounts are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. Such transactions by Access Persons are relatively small and unlikely to have any material impact on prices of fund shares in which clients invest. Therefore, mutual funds purchases are NOT prohibited by Advisor's personal securities transaction policy.

Item 12/Brokerage Practices

- A. Advisor generally will recommend that investment advisory accounts be maintained at Charles Schwab & Co. ("Charles Schwab"), in the event that client requests that Advisor recommend a broker-dealer/custodian for execution and/ or custodial services. (Those clients directing Advisor to use a particular broker-dealer/custodian are excluded.) Prior to engaging Advisor to provide investment advisory services, the client is required to enter into a formal Investment Advisory Agreement setting forth the terms and conditions under which Advisor shall manage client's assets, and separate custodial/clearing agreements with each designated broker-dealer/custodian.

Factors that Advisor considers in recommending Charles Schwab (or any other broker-dealer/custodian) include: historical relationship with Advisor, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Advisor's clients shall comply with the Advisor's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Advisor determines, in good faith, that the commission/ transaction fee is reasonable in relation to the



value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Advisor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/ custodian are exclusive of, and in addition to, Advisor's fee. Advisor's best execution responsibility is further qualified where securities that it purchases for client accounts are primarily mutual funds that trade at net asset value as determined at the daily market close.

- 1. Research and Additional Benefits** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/ custodian, Advisor receives from Charles Schwab (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Advisor to better monitor and service client accounts maintained at such institutions. Included within the support services obtained by Advisor can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/ or social events, marketing support, computer hardware and/or software and/or other products used by Advisor in furtherance of its investment advisory business operations.

As indicated above, certain support services and/or products that can be received may assist Advisor in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Advisor to manage and further develop its business enterprise.

There is no corresponding commitment made by Advisor to Charles Schwab or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Advisor's Chief Compliance Officer, Paul Byron Hill, is available to address any questions that a client or prospective client may have regarding the above arrangement and any conflict of interest such arrangement may create.

2. Advisor does not receive referrals from Charles Schwab or any broker-dealer/custodian.
3. Advisor does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). However when such client-directed arrangements do exist and Advisor consents to the arrangement, client will negotiate their own account terms and arrangements with that broker-dealer, and Advisor will not seek better execution services or prices from other broker-dealers. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Note: Where client directs Advisor to effect securities transactions

for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be recommended by Advisor.

- B. To the extent that Advisor provides investment advisory services to clients, transactions for each client account will be made independently and individually. Advisor will not obtain volume discounts or aggregate trades, and commission charges will vary among clients. Advisor will not combine or "bunch" such orders to seek best execution or negotiate more favorable commission rates because trading is individualized for clients while attempting to reduce overall transaction costs. Client investments are primarily mutual funds and exchange-traded funds. Portfolios are structured individually for each client, which may include specific income tax considerations related to portfolio transactions. Advisor employs primarily a modified "buy-and-hold" approach with mutual funds to keep fund trading costs low. Tax planning for portfolio accounts is often much more significant than trading costs in keeping total investing costs, after-tax, lower and thereby maximum after-tax wealth.

Item 13/Review of Accounts

- A. Advisor provides investment advisory services on a continuing basis. Financial planning and consulting services are periodic, but provided at least annually, and more often for Preferred and Premier clients at their request. Reviews are as follows:

INVESTMENT ADVISORY SERVICES: Advisor prepares a written investment policy statement ("IPS") customized for each client household. Each client's IPS is reviewed at least annually at a portfolio planning and progress meeting. Client yearly will acknowledge continuing to maintain their current IPS. However, the client is free to modify their IPS at their request or if there is a material change in client objectives, risk tolerance or personal circumstances.

Prior to that annual meeting, Advisor inspects portfolio holdings, noting changes in account values and changes were made during the course of the year. The current account allocation of the aggregate portfolio is then compared to the IPS and an appropriate updated portfolio structure is developed for recommendation at the annual review meeting.

The updated portfolio structure is aligned with target allocations of the IPS and then implemented with client approval. Misalignment may be due to account additions or withdrawals during the year, or it may be due to Advisor's introduction of newly available Dimensional portfolio solutions. Where there are 401(k) or 403(b) plans, client may not have followed the instructions of the Advisor in making changes.

Advisor reviews client accounts at least quarterly for: portfolio allocation alignment with the IPS; performance of the aggregate portfolio relative to IPS benchmarks; performance of individual funds relative to appropriate benchmarks; and, net management expense of Dimensional funds employed.

Reviewed annually is Advisor's internal trading process, internal transfer process, and status of the portfolio accounting system. Also reviewed annually is the status of the primary broker-dealer/custodian. Also, mutual funds and ETFs used for clients



against the fund universe relative to their ability to effectively and reliably capture dimensional market factors, including performance history of funds used by clients.

FINANCIAL PLANNING AND CONSULTING: Client choice of Standard, Preferred or Premier service levels drives the number and types of financial planning reviews. At least one planning review is offered annually in addition to client's annual investment advisory meeting. Preferred and Premier clients are offered a second planning and/or progress meeting for retirement planning, tax planning, insurance/benefits planning, and/or estate/legacy planning for those requesting them. The client service levels for financial planning process and consulting meeting is described in *Item 4 (B)* above, and described in each client's *Financial Planning and Consulting Agreement*. Meetings and/or contacts not used may be carried over to the next year; excess meetings /contacts prior year are deducted.

- B. The Advisor may conduct informal account reviews for any client other than described above upon the occurrence of a specific triggering event: Client request; adding or distributing funds within accounts; market volatility or similar uncertainty; or unexpected or sudden material change in Client's personal circumstances or financial situation.
- C. Clients are provided with written reports on a quarterly basis. Reports are aggregated as a household and include historical changes in market value for custodial accounts; current and historical time-weighted performance statistics of the aggregated household portfolio; comparison of the household portfolio to targeted IPS benchmarks; and disclosure of fees billed to client accounts.

The client's independent broker-dealer/custodian directly provides monthly account statements and written transaction confirmation notices (typically electronically accessible). Annuity account providers and/or employer retirement plan provide similar statements sponsors (also electronically accessible). The broker/dealer custodian's statement is the official record of the client's securities account and supersedes any statement or report Advisor has created on behalf of the client. Clients are encouraged to cross-reference security holdings as shown on Advisor reports with the broker-dealer/custodian's statement for the same period.

Item 14/Client Referrals and Other Compensation

- A. Advisor receives no client referrals from Charles Schwab or any other custodian. As referenced in *Item 12 (A)* 1 above, Advisor receives indirect economic benefits from Charles Schwab. Advisor, without cost (and/or at a discount), receives support services and/or products from Charles Schwab.

Advisor has no corresponding commitment to Charles Schwab or any other entity, including but not limited to, Dimensional Fund Advisors to invest any specific amount or percentage of Client assets in any particular mutual funds, securities or other investment products.

- B. Advisor does not receive Client referrals from non-supervised persons for compensation but reserves the right to may make such arrangements in the future.

The Advisor's Chief Compliance Officer, Paul Byron Hill, remains available to address any questions that a Client or

prospective Client may have regarding the above arrangements and any conflict of interest any such arrangements may create.

Item 15/Custody

Advisor has the ability to have its advisory fee for each Client debited periodically by broker-dealer/custodians. This is only for those Clients who do not pay directly for advisory services from quarterly billings. Deducting fees from Client accounts through a detailed procedure supervised by the broker-dealer/ custodian is the sole extent of Advisor custody of Client assets. Broker-dealer/custodians do not verify the accuracy of Advisor's advisory fee calculations.

Clients are provided with periodic written summary account statements and written transaction confirmation notices directly from their broker-dealer/custodian (monthly and by internet access), account provider (for annuities and 529 plans), and/or employer retirement plan sponsor (by private internet access). Advisor also provides Clients its own written report summarizing aggregate account allocations, aggregate account performance, and aggregate account transaction activity. *The Client is urged to compare any statement or report provided by the Advisor with the account statements received from the broker- dealer/ custodian or other account provider.*

Item 16/Investment Discretion

Advisor provides investment advisory services primarily on a discretionary basis. This discretion is specifically limited by the terms and written limitations of the Client's investment policy statement and/or related communications. Non-discretionary advisory services are provided primarily for employer retirement plans, variable annuities and life insurance, 529 plans, and vehicles not associated with broker-dealer/custodian accounts.

Item 17/Voting Client Securities

- A. The Advisor does not vote Client proxies. Clients maintain exclusive responsibility for: (1) directing the way 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.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Advisor to discuss any questions they may have with a particular solicitation.

Item 18/Financial Information

- A. The Advisor does not solicit fees of more than \$1,200, per Client, six months or more in advance of services rendered.
- B. As per *Item 16*, the Advisor offers investment advisory services and has no information of a financial condition that would likely impair its ability to meet contractual commitments to clients.
- C. The Advisor has not been the subject of a bankruptcy petition.

Professional Financial's Chief Compliance Officer, Paul Byron Hill, CFP, remains available to address any questions regarding this Part 2A.



ANNUAL PRIVACY NOTICE

Professional Financial Strategies, Inc.

Professional Financial Strategies, Inc (“Professional Financial”) maintains physical, electronic, and procedural safeguards that comply with federal standards to protect its clients’ nonpublic personal information (“information”). Through this policy and its underlying procedures, Professional Financial attempts to secure the confidentiality of customer records and information and protect against anticipated threats or hazards to the security or integrity of customer records and information.

It is the policy of Professional Financial to restrict access to and/or the sharing of all current and former clients’ information (i.e., information and records pertaining to personal background [including social security number and address], investment objectives, financial situation, financial planning issues, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information in furtherance of the client’s engagement of Professional Financial.

Professional Financial shall disclose, as necessary, the client’s information: (1) to unaffiliated

service providers and vendors in furtherance of establishing, maintaining, and reporting on the client’s Professional Financial relationship (i.e., broker-dealer, account custodian, record keeper, technology, performance reporting, customer relationship management software [CRM], proxy voting, insurance, independent managers, sub-advisers, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with applicable federal and/or state privacy regulations.

However, Professional Financial does not, and shall not, disclose or share information with any affiliated or nonaffiliated persons, entities or service providers for marketing or any other purposes or reasons not referenced above.

ANY QUESTIONS OR CONCERNS:

Should you have any questions regarding the above, please contact:

Paul Byron Hill, CFP
Chief Compliance Officer
paulhill@professionalfinancial.com

January 30, 2024



PROFESSIONAL
FINANCIAL
Purposeful Wealth Management

Firm Supplement

Form ADV, Part 2B

Dated March 30, 2024

Professional Financial Strategies, Inc.

IARD/CRD File Number: 125580

1159 Pittsford-Victor Road, Suite 120

Pittsford, NY 14534

(585) 218-9080

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This brochure provides information about the qualifications and business practices of Professional Financial Strategies, Inc. (the "Advisor"). If you have any questions about the contents of this brochure, please contact us at (585) 218-9080 or planning@professionalfinancial.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. References herein to Advisor as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Additional information about Advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Item 1/Cover Page

Professional Financial Strategies, Inc.

Firm Supplement

Dated March 30, 2024



Paul Byron Hill

This brochure supplement provides information about Paul Byron Hill that supplements the Professional Financial Strategies, Inc. brochure. You should have received a copy of that brochure.

Please contact Paul Byron Hill, *Chief Compliance Officer* if you did not receive Professional Financial Strategies' brochure or if you have any questions about the contents of this supplement.

Additional information about Paul Byron Hill is available on the SEC's website at www.adviserinfo.sec.gov.

Contact: Paul Byron Hill,
Chief Compliance Officer
1159 Pittsford-Victor Road, Suite 120
Pittsford, New York, 14534

Item 2/Education Background and Business Experience

Paul Byron Hill was born in 1952. Mr. Hill has been CEO, President or Chief Compliance Officer of Professional Financial Strategies, Inc., a registered investment adviser, since 1993. Mr. Hill graduated from the University of Rochester with a degree in English with Distinction. Education related to the practice of personal financial planning includes: MBA (Finance) from the Simon Business School at the University of Rochester (NY); an MS in Financial Services from the American College (PA); and a MS in Financial Planning from The College for Financial Planning, now part of the University of Phoenix (AZ).

Mr. Hill has been a **CERTIFIED FINANCIAL PLANNER™ professional (CFP®)** since 1983. He is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board") and may use that certification and CFP® Board's other marks (the "CFP® Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP® Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP® Board-approved coursework at a college or university through a CFP® Board Registered Program. The coursework covers the financial planning subject areas CFP® Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials. (CFP Board implemented the financial planning development capstone course requirement in March 2012, so a CFP® professional who became certified earlier may not have completed a capstone course.)
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP® Board's *Code of Ethics and Standards of Conduct* ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP® Board Certification Marks:

- **Ethics** – Commit to complying with CFP® Board's Code and Standards. This includes a commitment to CFP® Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP® Board may sanction a CFP® professional who does not abide by this commitment, but CFP® Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete at least 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.



Mr. Hill has held a **Chartered Financial Consultant (ChFC®)** designation since 1983. ChFC® is a financial planning designation for the financial services industry. Candidates must meet education, experience, examination, and ethical requirements. Candidates must have at least three years of experience in the financial industry, or an undergraduate or graduate degree from an accredited university and two years of experience in the financial services industry. Candidates must take nine academic courses each followed by a two-hour exam. Courses and exams cover topics in finance, investing, insurance, and estate planning, with ongoing continuing education and ethics requirements.

ChFC® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Mr. Hill has held a **Wealth Management Certified Professional (WMCP®)** designation since 2019. WMCP® is a designation teaching advisers concept, techniques and best practices for comprehensive wealth management. The education cover topics in life-cycle theory, goals-based planning, portfolio investment strategy, financial instruments, strategic wealth management, and specialized complex planning strategies. Candidates must take five academic courses that represents an average study time of more than 150 hours followed by an intensive four-hour mastery exam.

WMCP® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Mr. Hill has held a **Retirement Income Certified Professional (RICP®)** designation since 2020. The RICP® designation teaches advisers techniques and best practices used to create sustainable streams of retirement income. The education covers retirement income planning, maximizing Social Security and other income sources, minimizing risks to the plan, and managing portfolios during the asset distribution phase. The designation includes three required, college-level courses that represent a total average study time of more than 150 hours.

RICP® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

A. The supervised person is not actively engaged in any other investment-related business, occupation or activity not related to financial planning or wealth management or education in financial planning.

B. **Licensed Insurance Broker.** Mr. Hill, a related person of Professional Financial, is licensed as an insurance broker and may share in compensation payable to an agent if insurance or annuities are purchased.

Conflict of Interest: The recommendation of purchasing a financial instrument presents a material conflict of interest, as reimbursement fees as insurance brokers may provide an incentive to recommend products based on commissions received rather than need. However, reimbursement fees paid to a related party of Professional Financial would waive advisory fees payable for consulting related to life insurance and annuity planning and implementation.

Both as CFP® professionals and as licensed brokers in New York, related persons of Professional Financial have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of clients (CFP® professional fiduciary standards, Title I of the Employee Retirement Income Security and/or the Internal Revenue Code as applicable, and the New York Department of Financial Services Reg 187 apply). Where non-commissionable insurance and annuity instruments are determined to be in a client's best interest, they will be implemented, and client will pay the agreed planning and consulting fee. NOTE: Implementing SPIA, DIA and QLAC annuities will avoid ongoing advisory fees that Advisor would otherwise earn from AUM fees, and so may provide lower long-term costs.

Professional Financial Strategies' Chief Compliance Officer, Paul Byron Hill, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 5/Additional Compensation

None, other than dividends as a shareholder of Professional Financial Strategies, Inc.

Item 6/Supervision

Professional Financial Strategies, Inc. provides investment advisory and supervisory services in accordance with SEC and state regulatory requirements. As Professional Financial Strategies' *Chief Compliance Officer*, Paul Byron Hill is primarily responsible for overseeing the activities of Professional Financial's supervised persons.

Mr. Hill also monitors client accounts and conducts client account reviews on at least an annual basis. Should a client have any questions regarding Professional Financial Strategies' supervision or compliance practices, please contact Mr. Hill at (585) 218-9080.

Item 1/Cover Page

Professional Financial Strategies, Inc.

Firm Supplement

Dated March 30, 2024



Kam-Lin Kok Hill

This brochure supplement provides information about Kam-Lin K. Hill that supplements the Professional

Financial Strategies, Inc. brochure. You should have received a copy of that brochure. You may also contact the Chief Compliance Officer if you did not receive Professional Financial Strategies' brochure or if you have any questions about the contents of this supplement.

Additional information about Kam-Lin K. Hill is available on the SEC's website at www.adviserinfo.sec.gov.

Contact: Paul Byron Hill,
Chief Compliance Officer
1159 Pittsford-Victor Road, Suite 120
Pittsford, New York, 14534

Item 2/Education Background and Business Experience

Kam-Lin K. Hill was born in 1961. Ms. Hill received her MBA from The University of Hull, UK. Ms. Hill has been employed as Executive Vice President and CIO of Professional Financial Strategies, Inc. since 2001. Ms. Hill also serves as Managing Director of Professional Financial Solutions, LLC.

Ms. Hill has been a **CERTIFIED FINANCIAL PLANNER™ professional (CFP®)** since 2005. She is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board") and may use that certification and CFP® Board's other marks (the "CFP® Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP® Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP® Board-approved coursework at a college or university through a CFP® Board Registered Program. The coursework covers the financial planning subject areas CFP® Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials. (CFP Board implemented the bachelor's degree or higher requirement in 2007 and the financial planning development capstone course requirement in March 2012, so a CFP® professional who became certified earlier may not have earned a bachelor's or higher degree or completed a capstone course.)
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP® Board's *Code of Ethics and Standards of Conduct* ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP® Board Certification Marks:

- **Ethics** – Commit to complying with CFP® Board's *Code and Standards*. This includes a commitment to CFP® Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP® Board may sanction a CFP® professional who does not abide by this commitment, but CFP® Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete at least 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.

Ms. Hill holds a **Chartered Financial Consultant (ChFC®)** designation since 2004. ChFC® is a financial planning designation for the financial services industry. Candidates must meet education, experience, examination, and ethical requirements. Candidates must have at least three years of experience in the financial industry, or an under-graduate or graduate degree from an accredited university and two years of experience in the financial services industry. Candidates must take nine academic courses each followed by an exam. Courses and exams cover topics in finance, investing, insurance, and estate planning, with ongoing continuing education and ethics requirements.

ChFC® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Ms. Hill holds the **Chartered Global Management Accountant (CGMA)** designation and became a Fellow of the Chartered Institute of Management Accountants (FCMA) in 1997. The designations identify individuals who have completed stringent accounting examinations, education, experience, and ethics requirements mandated by the Chartered Institute of Management Accountants Board, which has Royal Chartered status in the United Kingdom. Candidates for fellowship must have at least three years of relevant Practical Experience Requirements (PER) that relates to management accounting at a senior level.

CGMA candidates must pass nine examinations on management accounting, decision making, risk and control, information systems, integrated management, business strategy, financial accounting and tax, financial analysis, and financial strategy. CGMAs are regulated by the CIMA Board and are recognized by the American Institute of Certified Public Accountants (AICPA).

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

A. The supervised person is not actively engaged in any other investment-related businesses or occupation not related to financial planning and wealth management.

B. **Licensed Insurance Broker.** Ms. Hill, a related person of Professional Financial is a licensed insurance broker, and may share in compensation payable to an agent if insurance or annuities are purchased.

Conflict of Interest: The recommendation of purchasing a financial instrument presents a material conflict of interest, as reimbursement fees as insurance brokers may provide an incentive to recommend products based on commissions received rather than need. However, reimbursement fees paid to a related party of Professional Financial would waive advisory fees payable for consulting related to life insurance and annuity planning and implementation.

Both as CFP® professionals and as licensed brokers in New York, related persons of Professional Financial have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of clients (CFP® professional fiduciary standards, Title I of the Employee Retirement Income Security and/or the Internal Revenue Code as applicable, and the New York Department of Financial Services Reg 187 apply). Where non-commissionable insurance and annuity instruments are determined to be in a client's best interest, they will be implemented, and client will pay the agreed planning and consulting fee. NOTE: Implementing SPIA, DIA and QLAC annuities will avoid ongoing advisory fees that Advisor would otherwise earn from AUM fees, and so provide lower long-term costs.

Professional Financial Strategies' Chief Compliance Officer, Paul Byron Hill, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 5/Additional Compensation

None.

Item 6/Supervision

Professional Financial Strategies, Inc. provides investment advisory and supervisory services in accordance with SEC and state regulatory requirements. Professional Financial Strategies' *Chief Compliance Officer*, Paul Byron Hill, is primarily responsible for overseeing the activities of the Professional Financial Strategies' supervised persons.

Mr. Hill also monitors client accounts and conducts client account reviews on at least an annual basis. Should a client have any questions regarding Professional Financial's supervision or compliance practices, please contact Mr. Hill at (585) 218-9080.

Item 1/Cover Page

Professional Financial Strategies, Inc. **Firm Supplement**

Dated March 30, 2024



Peter C. Van Der Voorn

This brochure supplement provides information about Peter C. Van Der Voorn that supplements the Professional Financial Strategies, Inc. brochure. You should have received a copy of that brochure. Please contact Paul Byron Hill, *Chief Compliance Officer* if you did not receive Professional Financial Strategies' brochure or if you have any questions about the contents of this supplement.

Additional information about Peter C. Van Der Voorn is available on the SEC's website at www.adviserinfo.sec.gov.

Contact: Paul Byron Hill,
Chief Compliance Officer
1159 Pittsford-Victor Road, Suite 120
Pittsford, New York, 14534

Background and Business Experience

Peter C. Vandervoorn was born in 1940. Mr. Vandervoorn graduated from Wichita State University with a degree in Chemistry. Mr. Vandervoorn earned his PhD in Chemistry from The University of Illinois, Champaign-Urbana. Mr. Vandervoorn has been employed as a wealth consultant of Professional Financial Strategies, Inc. since 2000. Mr. Vandervoorn is employed by H&R Block for income tax preparation,

Mr. Vandervoorn has been a **CERTIFIED FINANCIAL PLANNER™ professional (CFP®)** since 2001. He is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board") and may use these and CFP Board's other marks (the "CFP Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials. (CFP Board implemented the financial planning development capstone course requirement in March 2012, so a CFP® professional who became certified earlier may not have completed a capstone course.)

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP Board's *Code of Ethics and Standards of Conduct* ("Code and Standards"), which sets forth the ethical and practice standards.

Individuals who become certified must complete the following to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – CFP® Commit to complying with CFP Board's *Code and Standards*. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

- The supervised person is not actively engaged in any other investment-related businesses or occupations not related to financial planning.
- This supervised person is no longer engaged in the business of income tax preparation.

Item 5/Additional Compensation

None.

Item 6/Supervision

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