

# Form ADV Part 2A Brochure

Retirement Specialty Group, Inc.

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September 30, 2024

This Brochure provides information about the qualifications and business practices of Retirement Specialty Group, Inc. (RSG). If you have any questions about the contents of this Brochure, please contact us at (931) 738-4733 or by email at [anthony@retirementspecialtygroup.com](mailto:anthony@retirementspecialtygroup.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.

RSG is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

Additional information about RSG (CRD #313166) is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

This Brochure dated September 30, 2024, represents an amendment to the annual update Brochure for Retirement Specialty Group, Inc.

Since the filing of the firm's annual update Brochure on January 18, 2027 we have added detail in Item 9 (Disciplinary Information) about a civil enforcement action, initiated by the Securities and Exchange Commission, to which the firm and its owner, D. Anthony Wright, were parties. We have also made various other minor updates to our Brochure, but no other material changes were made.

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Pursuant to SEC Rules, we will deliver to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting us at (931) 738-4733. Additional information about RSG is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with RSG who are registered as investment adviser representatives of the firm.

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## **Item 4 – Advisory Business**

Retirement Specialty Group, Inc. (CRD# 313166) (RSG) is a registered investment adviser based in Tennessee and organized as a corporation under the laws of the State of Tennessee. The firm was formed in 2012, registered as an investment adviser in 2021, and currently has 4 employees.

RSG's principal office and place of business is located at 1125 Perimeter Park Drive, Suite 301, Cookeville, TN 38501. Regular business hours are Monday through Friday 8:00 am to 4:00 pm. The firm can be contacted by phone at (931) 738-4733.

The firm is owned by D. Anthony Wright and Maria C. Wright. Mr. Wright currently serves as RSG's Chief Compliance Officer.

The term "Associated Person", as used throughout this brochure refers to anyone from our Firm who is an officer, employee, and all individuals who are registered with Advisor to provide advisory services on behalf of Advisor. Where required, such persons are properly licensed or registered as Investment Adviser Representatives ("IAR") of Advisor in all required jurisdictions.

Before engaging Advisor to provide Asset Management or Financial Planning Services, the Client will be required to enter into one or more written agreements with Advisor, setting forth the terms and conditions under which the Firm shall render its services (collectively the "Agreement"). Per applicable laws and regulations, Advisor and/or our IARs will provide the Firm's Form ADV 2A (this brochure), the IAR's personalized ADV Part 2B brochure, Form ADV Part 3 (CRS), and Privacy Policy to each Client, or prospective Client, before, or contemporaneously, with the investment advisory agreement. If the Form ADV Part 2A is not delivered at least 48 hours before the Client enters into an Agreement, the Client shall have the right to terminate the contract within five (5) business days after entering into the Agreement without incurring an advisory fee on assets under management. Upon termination of the Agreement at any time, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to the Client.

### **Advisory Services Offered**

Before Advisor enters into an Advisor-Client relationship, Advisor may offer a complimentary general consultation to discuss services available, give a prospective Client time to review the services desired, and determine whether a relationship might benefit the Client. Investment advisory services begin only after Advisor and the Client formalize the relationship with a properly executed Client Agreement. Per applicable laws and regulations, Advisor will provide this brochure, the ADV Part 2B, ADV Part 3 to each Client or prospective Client before or contemporaneously with the execution of a Client Agreement. Advisor offers a variety of services to individual, high-net-worth individuals, pension and profit-sharing plans, financial institutions, trusts, estates, charitable organizations, and other appropriately registered investment advisors.

Neither the Advisor nor the Client may assign a Client Agreement to a third-party without the written consent of the other party. Transactions that do not result in a change of actual control or management of Advisor shall not be considered an assignment.

Advisor offers the following services:

### **Investment Supervisory Services**

Advisor will not assume any responsibility for the accuracy of information provided by the Client and is not obligated to verify any information received from the Client or the Client's other professionals and is expressly authorized to rely on such information. Under all circumstances, Clients are responsible for promptly notifying Advisor in writing of any material changes to the Client's financial situation, investment objectives, time horizon, or risk tolerance. When Advisor is notified by the Client of such a change, the Firm will review such changes and recommend any necessary changes to the Client's portfolio. Advisor offers ongoing portfolio management services based on the Client's goal, objectives, time horizon, and risk tolerance.

For its discretionary asset management services, Advisor receives a limited power of attorney to effect securities transactions on behalf of its Clients. Advisor generally limits its investment advice and/or money management to mutual funds, exchange-traded funds, equities, bonds, options, real estate investment trusts, equity-based options, insurance products, government securities, and cash or cash equivalents. Advisor may use other securities or investment products to help diversify a portfolio.

Advisor Clients are offered portfolios, which are managed internally, by separate account managers, or through a sub-advisor that Advisor engages on its behalf. The management services may be delegated to various sub-advisors who will manage, select which securities to buy or sell, or how much of a particular security to buy or sell, and may select specific portfolios for use by Advisor in an asset allocation strategy. All transactions are placed on a discretionary basis. Advisor or sub-advisor(s) may use one or more of their model portfolios to manage your account. Advisor continuously monitors the performance of accounts managed internally and by the sub-advisor(s) and will exercise its discretionary authority to hire or fire the sub-advisor(s) when such action is deemed to be in the best interest of the Client(s). Client(s) are expected to notify Advisor promptly of any changes in their financial situation, investment objectives, or account restrictions so that any needed allocation changes may be promptly implemented. Advisor may compensate sub-advisors via a fee-sharing agreement and this relationship is memorialized in each contract between Advisor and the sub-advisor. The fee share will not exceed any limits imposed by any regulatory agency. Please note that Advisor may recommend the use of sub-advisors that are owned in whole or in part by owners of Advisor or that provide non-monetary support to the Firm. Additional information on this conflict is outlined in Item 11 and Item 14.

## **Wrap Fee Program**

Advisor does not sponsor or participate in a wrap-fee program.

## **Financial Planning Services**

Advisor offers Clients financial planning or consulting services to evaluate their financial situation, goals, and risk tolerance. Through a series of personal interviews and the use of questionnaires, Advisor's investment advisor representatives will collect pertinent data, identify goals, objectives, financial problems, potential solutions, prepare specific recommendations and implement recommendations. Because of these actions, advice may be provided on financial and cash management, risk management, and financial issues relating to divorce or marital issues, estate planning, tax issues, IRA planning, investment planning/asset allocation, retirement planning, educational funding, goal setting, or other needs as identified by the Client and investment advisor representative. The Firm may offer broad-based planning services that involve a written financial plan, or the Client may desire consulting on certain planning topics that do not involve a written financial plan. The Firm can tailor services as desired by the Client. These services are based on fixed fees or hourly fees. The final fee structure is documented in the Financial Planning Agreement.

In offering financial planning, a conflict exists between the interests of the investment advisor and the interests of the Client. The Client is under no obligation to act upon the investment advisor's recommendation, and, if the Client elects to act on any of the recommendations, the Client is under no obligation to affect the transaction through the investment advisor.

## **ERISA Plan Services**

Advisor provides services to qualified and non-qualified retirement plans including but not limited to 401(k) plans, 403(b) plans, pension, and profit-sharing plans, cash balance plans, and deferred compensation plans. Advisor will only act as a 3(21), limited scope, fiduciary.

## **Assets Under Management**

As of December 31, 2023 the firm had \$27,798,491 in discretionary assets under management, but as of the September 30, 2024 filing date had no assets under management as the firm has previously discontinued operations.

## **Item 5 – Fees and Compensation**

### **Investment Management Services**

Fees charged for discretionary investment management services are negotiated prior to the engagement at an annual rate not to exceed 1.80% of assets under management. The firm may at its discretion impose separate fees for additional advisory or planning services provided, but such fees will be disclosed in advance. While we strive to maintain competitive fees, the same or similar services may be available from other firms at higher or lower fees.

Fees are generally calculated and charged monthly in advance based on the month ending balance of assets under management at the end of the preceding month (i.e. the beginning balance of the month of service). Fees for partial months are prorated based on the number of days assets are under management. Fees are generally deducted directly from client accounts, but clients may elect to alternatively pay fees by check. When deducting fees, RSG will a) acquire written authorization from the client to deduct fees from the custodian, b) provide notice to the custodian of the timing and amount of fee to be deducted, and c) send the client a notification when the fee is deducted.

Services may be terminated at any time by either party with 30 days written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will be prorated and any unearned portion will be refunded to the client subject to the notice provision above.

All management fees paid to RSG are separate and unrelated to any fees or expenses assessed by mutual funds or exchange traded funds, or to any trade commission charged by an account custodian, although trade commissions may at times be paid by RSG at the firm's discretion.

Information pertaining to fund-generated fees and expenses can be found in mutual fund and exchange traded fund prospectuses. Information related to brokerage and other transaction costs can be found in Item 12 below.

The firm does not receive compensation for the sale of securities or other investment products.

### **Investment Advisory Services**

If you decide to engage Advisor for portfolio management services, we will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for these services is a maximum annual fee of 1.8%

Please note that our fees may be reduced based on individual circumstances. The fee paid by the Client(s) will be reflected on the custodian's monthly or quarterly statement. Neither Advisor nor its IARs has the authority to increase the maximum annualized fee schedules listed above at their discretion. IAR compensation is computed based on the remainder of the annual advisory fee after platform fees, Firm fees, sub-advisory fees, and custodial fees are satisfied.

Fees may be deducted by the custodian, a third-party designated service provider, or internal operations at Advisor under the terms of the Advisory agreement signed by both the Client and Advisor. Fees are billed monthly from Client(s) accounts, in arrears, and are based on the average daily balance of the account(s) during the preceding month. The Client may direct the custodian or designated service provider to debit advisory fees from one specific account, which is managed by Advisor, for all managed accounts. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for any unpaid balance and to establish a suitable cash balance in the account, as determined by Advisor and manager. Advisor may modify Advisory fee at any time upon 30 days written notice to the Client. In the event the Client has an ERISA-governed plan, the fee modification must be approved in writing by the Client. If a designated service provider is used to deduct Advisor's fee, the Client will authorize this by signing a limited power of attorney (LPOA) authorizing this action and the LPOA will be remitted to the Client's custodian.

Advisory fees are generally deducted directly from Client's account and the Client must provide authorization to the custodian or service provider. The qualified custodian holding the Client's funds and securities will send the Client an account statement not less than quarterly. This statement will detail account activity. Please review each statement for accuracy. Advisor will have access to a copy of the Client's account statements from the custodian. The Client(s) is/are responsible for reviewing and notifying Advisor if they have any question(s) about the accuracy of the fee calculation. If the Client has any questions or concerns regarding their custodial statement or the fees associated with their Advisor account, they should contact their Associated Person or Advisor immediately. The contact information for Advisor's compliance department is provided on the cover page of this Brochure. The Client may instruct Advisor to debit advisory fees for multiple accounts from one specific account. Such instructions must be submitted to Advisor in writing and will remain in force until revoked by the Client in writing. Under unique and severe circumstances, Advisor may allow Clients to be directly billed for advisory fees. If such an arrangement is authorized, the Client will receive a monthly invoice for the previous month's advisory services rendered. The invoice is due upon receipt. Unpaid invoices of more than 30 calendar days may result in Advisor terminating its advisory relationship with the Client(s).

All fees paid for investment advisory services are in addition to, and separate and distinct from, the fees and expenses charged by exchange-traded funds, mutual funds, third-party money managers, broker/dealers, and/or custodians retained by or on behalf of the Client. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each third-party money manager's Form ADV Brochure, Brochure Supplement, or similar disclosure document, and by any broker/dealer or custodian retained by/for the Client. If a mutual fund also imposes sales charges, a Client may incur an initial or deferred sales charge as described in the mutual fund's prospectus. A Client using Advisor may be precluded from using certain mutual funds or separate account managers because they may not be offered by the selected custodian(s).

Please be advised that each custodian, third-party administrator, or similar party contracted by Advisor to perform certain administrative functions on the Client's account may assess the Client



fees for specific services. (e.g., annual account fee, wire fee, return check fee, etc.) These fees are established by each entity. Advisor does not share a portion of any of these fees. Because these fees are subject to change without our consent, a listing is not published in the brochure. If you would like to obtain a listing of these fees, please contact your Associated Person or Advisor.

Advisor or its Associated Persons may have an incentive to recommend one sub-advisor over another sub-advisor with whom it has less favorable compensation arrangements or other advisory programs offered by sub-advisors with which it has no compensation arrangements. To address this conflict, the Firm has adopted a Code of Ethics that obliges all associated persons to deal fairly with all Clients when taking investment action and to uphold their fiduciary duty and put the Client's interest first. Clients are not required to use the services of any sub-advisor we recommend.

The fees Advisor charges a Client may be reduced under individual circumstances, based on the number of assets under management, the complexity of Client goals and objectives, and level of services rendered. As described above, the fees are charged based upon assets under management, calculated monthly in arrears at the set fee schedule, and are not based on a share of capital gains or capital appreciation of the funds or investment solution recommended to an advisory Client.

Please note that all custodial trading fees are assessed directly by the custodian. The trading fee is assessed per transaction and is determined based on the type of security that is being bought or sold. Custodians offer a discount on buy and sell transaction charges to Clients that select to receive statements and trade notifications electronically instead of being mailed a paper copy. For additional information on this matter, please contact your Associated Person. Important Disclosure – Custodian Investment Programs: Please be advised that the Firm utilizes, Charles Schwab Corporation (Schwab”) as its custodian. Under this arrangement, we can access a wide range of investment programs offered by our custodian, which may create conflicts of interest through certain compensation and fees.

Please note the following:

Limitation on Mutual Fund Universe for Custodian Investment Programs: As a matter of policy, we prohibit the receipt of revenue share fees, 12b-1 fees, from any mutual funds utilized for our advisory Clients’ portfolios.

12b-1 fees are an annual marketing or distribution fee on a mutual fund. The 12b-1 fee is considered an operational expense and is included in a fund’s expense ratio.

If the Firm decides to take these 12b-1 fees in the future for our advisory Client’s portfolios, please note the following: There are certain programs offered by our custodian in which the Firm participates that limit the types of mutual funds and mutual fund share classes to those in which our custodian has negotiated the receipt of 12b-1 and/or other revenue sharing fee payments from the mutual fund issuer or sponsor. As such, a Client’s investment options may be limited to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the Client should be aware that the Firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the Client. Such fees are deducted from the Net Asset Value of the mutual fund and generally, all things being equal, cause

the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The Client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the Client should discuss with their IAR whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the Client's individual needs and priorities and anticipated transaction costs. Additionally, the receipt of such fees can create conflicts of interest in instances.

Where our IAR is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the IAR acting in their capacity as a representative of a broker-dealer to use programs that utilize funds that pay such additional compensation. Where the broker-dealer receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the Firm, such benefits may or may not benefit some or all of the Firm's Clients.

### **External Compensation for the Sale of Securities to Clients**

Advisor's IARs are compensated primarily by Advisor in the form of a percentage of fees generated from assets they place under Advisor's platform.

Advisor's IARs that are properly licensed may receive commission-based compensation for the sale of insurance products and other commission-based non-advisory products. This and other potential conflicts of interest are described in this brochure.

Additionally, from time to time, RSG initiates incentive programs for its IARs. These programs may compensate them for attracting new assets and Clients promoting investment advisory services. Advisor may also initiate programs that reward representatives who meet total production criteria, participate in advanced training, and/or improve Client service. Representatives who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums, marketing assistance, and recognition trips. Advisor's activities do not increase the Firm's fee.

Advisor may pay bonuses to prospective IARs to entice them to join Advisor and transition their current Clients to Advisor. Prospective Clients should be aware this practice may constitute a conflict of interest in that the recommendation to transition their advisory relationship to Advisor may be viewed as being in the best interest of Advisor and its IARs as opposed to the Client. The existence of additional compensation offered to an IAR as an enticement to register through Advisor will be to transitioning the Client in writing.

Advisor may, from time to time, enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with Advisor, that refers Clients to Advisor in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulations. If a Client is introduced to Advisor by a solicitor, Advisor may pay that solicitor a fee. While the specific terms of each agreement may differ, generally the compensation

will be based upon Advisor engagement of new Clients and is calculated using a varying percentage of the fees paid to Advisor by such Clients. Any such fee shall be paid solely from Advisor investment management fee and shall not result in any additional charge to the Client. Each prospective Client who is referred to Advisor under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the solicitor and Advisor and the amount of compensation that will be paid by Advisor to the solicitor. The solicitor is required to obtain the Client's signature acknowledging receipt of the Advisor's disclosure brochure and the solicitor's written disclosure statement.

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

RSG does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), and consequently does not simultaneously manage performance based and non-performance-based accounts.

## **Item 7 – Types of Clients**

RSG provides services to individuals, businesses, and other institutional investors.

For its services, RSG does not require a minimum dollar value in assets for establishing or maintaining a client's account, but the firm reserves the right to decline engagements for various reasons including account size.

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

The following are different methods of analysis that we may use in providing you with investment advice:

**Fundamental Analysis** – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

**Technical Analysis** – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

We, or a sub-advisor, may use one or more of the following investment strategies when advising you on investment and portfolio management:

**Long Term Purchases** – securities held for a minimum of one year. **Short Term Purchases** – securities held for less than one year.

**Trading** – securities are sold within 30 days.

**Margin Transactions** – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period that the loan is outstanding.

**Short Sales** – short selling is the selling of a stock that the seller does not own. More specifically, a short sale is the sale of a security that is not owned by the seller, but that is promised to be delivered.

The investment advice provided along with the strategies we suggest will vary depending on each Client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, the Client should fully understand the nature of the contractual relationship(s) into which the Client is entering and the extent of your risk exposure. Investing in securities involves the risk of loss that Clients should be prepared to bear. Certain investment strategies may not be suitable for certain members of the public. The Client should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including the possibility of the complete loss of principal plus other losses, and may not be suitable for all members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by any governmental agency to protect against market losses. Different market instruments carry different types and degrees of risk, and the Client should familiarize themselves with the risks involved in the particular market instruments the Client intends to invest in.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise, and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic, or monetary policies.

**Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.

**Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a Client's assets.

**Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.

**International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be

more volatile and less liquid than investments in U.S. securities and may lose value because of adverse political, social, or economic developments overseas, or due to changes in the exchange rates between foreign currencies and the U.S. dollar. Foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

**Liquidity risk:** One common risk associated with private placements and Real Estate Investment Trusts (REITs) is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns is often not realized until maturity. Because of this, these products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.

**Manager risk:** The chance that the proportions allocated to the various securities will cause the Client's account to underperform relevant benchmarks or other accounts with a similar investment objective.

**Portfolio Concentration:** Accounts that are not diversified among a wide range of types of securities, countries, or industry sectors may have more volatility and are considered to have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if the Client maintained a more diversified portfolio.

**Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

**Cyber Security risk:** The risk that the Advisor, custodian, service provider, or company that is contained within a Client's portfolio is subject to a service disruption or loses access to key data as a result of a cyber-attack. Such an attack would likely reduce a company's value, resulting in a monetary loss for a Client, or prevent timely access to Client data which could delay execution of transactions or disbursement of funds.

- Client is responsible for taking certain steps in maintaining the security of their electronic devices and email address(es). Such steps include, but are not limited to:
- Not sharing account passwords or login credentials,
- Install, update, and continually use an antivirus and antispyware software, and
- Install all operating system updates and security alerts in a timely manner. Each strategy offered through Advisor invests in one or more of the following classes of securities.

Each has unique risk features that should be understood.

## **Equity Securities**

Investing in individual companies involves inherent risk. The major risks related to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk, and liquidity risk.

## **Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. Also, mutual funds tend to be tax-inefficient, and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

## **Exchange-Traded Funds ("ETFs")**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs®, streetTRACKS®, DIAMONDSSM, NASDAQ 100 Index Tracking StockSM ("QQQs SM") iShares®, and VIPERs®. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their expenses. Investing in ETFs involves risk.

Specifically, ETFs, depending on the underlying portfolio and its size, can have a wide price (bid and ask) spread, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could harm the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral. Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

## **Corporate Debt, Commercial Paper, and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk. Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. For certificates of deposit, depending on the length of maturity there can be prepayment penalties if the Client needs to convert the certificate of deposit to cash before maturity.

## **Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level but may be taxable in individual states other than the state in which both the investor and the municipal issuer are domiciled.

## **Corporate Debt Obligations**

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper, and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. Additionally, the Firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

## **Variable Annuities**

Advisor offers a variable annuity model through various insurance companies. The investment selections for the variable annuity may be limited to the choices offered through the specific product. Specifics regarding the annuity are found in the annuity prospectus and application documents. Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump-sum amount at a later date. There are contract limitations and charges associated with annuities, administrative fees, and charges for optional benefits. They also may carry early withdrawal penalties and surrender charges and carry additional risks such as the insurance carrier's ability to pay claims. Moreover,

variable annuities carry investment risks like mutual funds. Investors should carefully review the terms of the variable annuity contract before investing. Variable annuities use variable sub-account that a client may allocate a percentage of their investment to. Variable sub-account operates similarly as mutual funds, but the internal fees and expenses of variable sub-accounts are usually higher than their mutual fund counterpart.

### **Fixed and Index Annuities**

Advisor offers fixed and index annuity through various insurance companies. Specifics regarding the annuity are found in the annuity contract and application documents. Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump-sum amount at a later date. There are contract limitations, fees, and charges associated with annuities, administrative fees, and charges for optional benefits. They also may carry early withdrawal penalties and surrender charges and carry additional risks such as the insurance carrier's ability to pay claims.

### **Technical Trading Models**

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance. Some market timing strategies that are employed are designed to be reactive indicators and therefore are not designed to avoid all losses.

### **Security-Specific Material Risks**

There is an inherent risk for Clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, and/ or one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its



management.

Retirement Specialty Group, Inc., and the firm's owner, Donald Anthony Wright, are alleged to have recommended, offered, and sold over \$2.4 million in fraudulent promissory notes to six separate parties beginning in or around June 2021 through at least July 2023. Mr. Wright is alleged to have made material misrepresentations and omissions concerning the nature and safety of the investments and the planned use of proceeds, to have failed to disclose material conflicts of interest to each investor, to have sold forged notes, and to have misled investors about the status of their investments and repayments. Without admitting or denying the allegations, the firm and Mr. Wright consented to a judgment on 9/9/2024 which among other things, permanently restrains and enjoins the firm and Mr. Wright from violations of certain securities laws, bars Mr. Wright from purchasing or selling securities on behalf of others, and requires the firm and Mr. Wright to agree to future court ordered disgorgement.

The firm is currently not subject to, nor has ever been subject to, any other legal or disciplinary events of a material nature.

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

Neither RSG nor any of its affiliated persons are registered or have an application pending as a broker dealer or broker dealer representative. Neither the firm nor any of its affiliated persons are registered or have an application pending as a futures commission merchant, commodity pool operator, commodity trading advisor or associated person of any of the forgoing entities.

Certain Associated Persons of Advisor may also be licensed as insurance agents, and as such, they can offer various insurance products from a variety of product sponsors and receive a commission for these activities. Clients are advised that any fees paid to the Firm for advisory services are separate and distinct from commissions earned by the Associated Person for any insurance product that the Client may purchase through the Associated Person. Associated Persons may also receive cash and/or non-cash compensation from Insurance Marketing Organizations ("IMO") that they use to offer insurance-based solutions to clients and prospects. Such compensation may be based on the total dollar amount of premium placed with the IMO or it may be based on premium dollars placed with a specific insurance carrier or a carrier's product. Clients are under no obligation or requirement to purchase any insurance product from an Associated Person associated with Advisor or any insurance agent or agency associated or affiliated with Advisor. To address this conflict, Advisor has adopted a Code of Ethics that obliges all associated persons to deal fairly with all Clients, to uphold their fiduciary duty at all times, and to put the Client's interest first.

While RSG will always endeavor to put the interest of clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation creates a conflict of interest and may affect the judgment of individuals who make recommendations. We believe however that our recommendations are in the best interests of our clients and are consistent with our

clients' needs. Our clients are under no obligation to purchase products recommended by our associated persons or to purchase products through our associated persons and we recommend that they review insurance options with their attorney, accountant, or other applicable professional.

RSG does not currently receive compensation related to recommending or selecting other investment advisers for clients.

RSG has entered into a joint venture agreement with an overseas corporate business partner (organized under the laws of the United Kingdom) for the purpose of generating profits from various proprietary account trading strategies to be shared between RSG's owner and the overseas entity. No RSG clients are participants or investors in such activities.

RSG has no other industry activities or affiliations.

## **Item 11 – Code of Ethics**

### **Code of Ethics**

RSG has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The RSG Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and details practices for reviewing the personal securities transactions of supervised persons with access to client information. The Code also requires compliance with applicable securities laws, addresses insider trading, and details possible disciplinary measures for violations. RSG will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer.

### **Trading Conflicts of Interest**

Individuals associated with RSG are permitted to invest in, to buy, or to sell securities for their personal accounts identical to or different than those recommended to clients, and such trades may be made at or about the same time as trades in client accounts. However, no person employed by RSG is allowed to favor his or her own interest over that of a client or make personal investment decisions based on the investment decisions of advisory clients.

In order to address potential conflicts of interest, RSG requires that associated persons with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. RSG also requires prior approval from the Chief Compliance Officer for associated persons investing in any IPOs or private placements (limited offerings) for their personal accounts.

## Item 12 – Brokerage Practices

For Advisor's portfolio management programs, we recommend and request Clients to implement trades and maintain custody of assets through discount brokers. Currently, we recommend the services of Schwab. Schwab is a member of the Financial Industry Regulatory Authority ("FINRA"), the Securities Investor Protection Corporation ("SIPC").

Schwab offer independent investment advisors services, which include custody of Client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

We are not affiliated with Schwab. Our IARs are not registered representatives of Schwab and do not receive commissions or other compensation from recommending these services.

### *Research and Other Soft Dollar Benefits*

Although not considered "soft dollar" compensation, we may receive benefits from our custodians for research services that include reports, software, and institutional trading support.

There is no direct link between the Firm's participation in these Institutional programs and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the programs that are typically not available to Schwab's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds without transaction fees and to certain institutional money managers; discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third-party vendors. Some of the products and services made available by our custodians through the programs may benefit Advisor but may not benefit its Client's accounts. These products or services may assist Advisor in managing and administering the Client's accounts, including accounts not maintained with a particular custodian. Other services made available by our custodians are intended to help Advisor manage and further develop its business enterprise. The benefits received by the Firm or its personnel through participation in the programs do not depend on the number of brokerage transactions directed to a particular custodian. As part of its fiduciary duties to Clients, the Firm endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons, in and of itself, creates a potential conflict of interest and may indirectly influence the Advisor's choice of Schwab for custody and brokerage services.

In selecting a broker-dealer based on discretionary authority, Advisor will endeavor to select

those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker, a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. Additionally, Advisor may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

### ***Directed Brokerage***

The Client may direct brokerage to a specified broker/dealer other than the firm recommended by Advisor. If a Client directs Advisor to use a particular broker/dealer, the Firm may not be authorized under these circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. Additionally, under these circumstances, a disparity in commission charges may exist between the commissions charged to Clients who direct the Company to use a particular broker/dealer and those that don't.

### ***Brokerage for Client Referrals***

We do not receive Client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for Client referrals.

### ***Trade Aggregation***

While individual Client advice is provided to each account, Client trades may be executed as a block trade. Advisor encourages its existing and new Clients to use Schwab. Only accounts in the custody of Schwab would have the opportunity to participate in aggregated securities transactions. All trades using Schwab may be aggregated and done under the name of Advisor. The executing broker will be informed that the trades are for the account of the Advisor's Clients and not for Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce the costs of execution slightly, and Advisor will not aggregate a Client's order if, in a particular instance, Advisor believes that aggregation would cause the Client's cost of execution to be increased.

Schwab will be notified of the amount of each trade for each account. Advisor and/or its Associated Persons may participate in block trades with Clients and may also participate on a pro-rata basis for partial fills, but only after the determination has been made that Clients will receive fair and equitable treatment.

## **Item 13 – Review of Accounts**

### **Review of Accounts**

Accounts are reviewed by the Associated Person named as advisor of record on the account or by the Firm's personal if an adviser or record is not assigned to the account. The frequency of reviews is determined based on the Client's investment objectives and reported changes in the Client(s)' financial situation, but reviews are conducted no less frequently than once per annum. More frequent reviews may also be triggered by a change in the Client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in the macroeconomic climate.

Advisor monitors the individual investments within each account each day the market(s) are open. Sub-advisor and model performance are reviewed, at a minimum, quarterly by the Investment Committee which manages the use and inclusion of sub-advisors and their models.

Client(s) will receive account statements directly from their account(s) custodian on at least a quarterly basis. Additionally, Advisor may provide Client(s) with performance reports designed to encapsulate and provide a summary of Client(s) account activity and performance against various benchmarks.

Client(s) is advised that they should only rely on statements received from their custodian(s), as this represents their actual account activity. Performance reports are provided as a courtesy to Client(s) and do not replace statements generated by the custodian.

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

Apart from the receipt of additional benefits from AXOS, TDA, Matrix, Apex, Schwab, or Fidelity that we have disclosed under Item 12 above, we do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our Clients.

Advisor may organize various due diligence and educational seminars for its existing and prospective IARs and may invite such persons to attend such events free of charge or may subsidize their expenses for attending such an event. In some cases, Advisor also pays such persons' travel expenses or a portion therein.

Advisor may invite sub-advisors or service providers to these events as presenters or attendees. Sub-advisors or service providers may provide expense offsetting support to Advisor to defer the

expenses of due diligence and educational seminars for Advisor's existing and prospective IARs. Certain sub-advisors to Advisor have entered into a service agreement with Advisor to facilitate the creation of self-directed brokerage accounts that are managed by the sub-advisor. The compensation arrangement presents a conflict of interest due to a financial incentive to utilize the investment models associated with the sub-advisor. To address this conflict, Advisor has adopted a Code of Ethics that obliges all associated persons to deal fairly with all Clients, to uphold their fiduciary duty at all times, and to put the Client's interest first.

Non-employee (outside) consultants, individuals, and/or entities, who are directly responsible for bringing a Client to Advisor, may receive compensation from the Firm. Such arrangements will comply with the requirements outlined in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment advisor be disclosed to the Client at the time of the solicitation or referral. In these situations, all applicable state laws will also be observed. Under these arrangements, the Client does not pay higher fees than Advisor's normal/typical advisory fees.

Associated Persons and staff of Advisor may attend due diligence and/or training events from current or prospective sub-advisors or product partners. These events may be paid for, in whole or in part, by the sponsoring party.

Associated Persons of the Firm may enter into agreements with various organizations to identify qualified potential Clients. An Associated Person may agree to compensate that organization for receiving information about qualified potential Clients. Any compensation that the Associated Person may give to that organization, or directly to any individual within that organization, will be nominal and will be given for qualified potential Clients regardless of the potential Clients engages the Firm in an advisory relationship.

Certain sub-advisors or product partners may offer to support Client events sponsored by individual IARs of Advisor. These events may be paid for, in whole or in part, by one or more sub-advisors or product partners.

## **Item 15 – Custody**

All Client funds, securities, and accounts are held at third-party custodians. Advisor does not take possession of a Client's funds, securities, or accounts. However, each portfolio management Client will be asked to authorize the Firm with the ability to deduct its fees directly from the Client's account. The Client's custodian will also send a quarterly account statement, indicating the number of fees withdrawn from the Client's Account.

Clients may authorize Advisor to execute the movement of Client funds to or from third-party sources for the benefit of the Client by the use of a standing letter of authorization ("SLOA"). If a Client elects to use an SLOA, the Firm is viewed to have custody of those assets. The Firm and its custodians have implemented multiple safeguards when a Client uses an SLOA, as

outlined in [SEC No Action Letter 022117](#). Advisor urges Clients to carefully review their statements and notify the Firm of any discrepancies as soon as possible. All Client

authorizations given by Client to Client's custodian, such as trading, billing, and the movement of funds, may be revoked at any time by Client contacting Client's custodian and revoking such authorization(s).

## **Item 16 – Investment Discretion**

RSG accepts discretionary authority to manage securities accounts on behalf of clients. When granted authority to manage accounts, RSG customarily has the authority to determine which securities and the amounts that are bought or sold. Any discretionary authority accepted by RSG however is subject to the client's risk profile and investment objectives and may be limited by any other limitations provided by the client in writing.

RSG will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between RSG and the client, and in the written agreement with the third-party custodian.

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

Advisor does not take discretion for voting proxies on behalf of its Clients. Advisor will not make recommendations to Client(s) on voting proxies regarding shareholder vote, consent, election, or similar actions solicited by, or for, issuers of securities beneficially held as part of Advisor supervised and/or managed assets. In no event will Advisor take discretion with respect to voting proxies on behalf of its Client(s). Except as required by applicable law, Advisor will not be obligated to render advice or take any action on behalf of Clients with respect to assets at present or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies. From time to time, securities held in the accounts of s will be the subject of class-action lawsuits. Advisor has no obligation to determine if securities held by the Client are subject to a pending or resolved class- action lawsuit. Advisor also has no duty to evaluate a Client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict.

Furthermore, Advisor has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by the corporate management of issuers whose securities are held by Client(s). Where Advisor receives written or electronic notice of a class-action lawsuit, settlement, or verdict affecting securities owned by a Client, it will forward all notices, proof of claim forms, and other materials to the Client. Electronic mail is acceptable where appropriate and where the Client has authorized contact in this manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition. For example, if the firm requires prepayment of more than \$500 in fees for six months in advance, has custody of client funds, or has a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, it must provide financial information and make disclosures.

RSG has no financial or operating conditions which trigger such additional reporting requirements.

## **Miscellaneous**

### ***Trade Error Correction Procedures***

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the Firm generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others, canceling the trade or adjusting an allocation. Any gains or losses resulting from error correction will be placed in Advisor's error correction account.

### ***Confidentiality***

Advisor views protecting its customers' private information as a top priority and, under the requirements of the Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Advisor does not disclose any nonpublic personal information about its customers or former customers to any non-affiliated third parties, except as permitted by law. Advisor may share some information with its domestic and international service providers, including transfer agents, custodians, portfolio aggregation, broker-dealers, accountants, and lawyers. Advisor restricts internal access to nonpublic personal information about its clients to those employees who need to know that information to provide products or services to the Client. Advisor maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the Firm's policy never to sell information about the current or former client(s), or their accounts, to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of the Client, or as required by law.



A copy of the Firm's privacy policy notice will be provided to each client before, or contemporaneously with, the execution of the Advisory Agreement. Thereafter, the Firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. If you have any questions on this policy, please contact Advisor.

Neither RSG nor any of its management persons has any such arrangements, nor has been involved in any such actions, which require additional disclosures.

The firm has implemented practices related to disaster recovery and business continuity in order to protect the firm and its clients from significant business disruptions. The firm's practices include data backup and recovery, offsite preparedness, periodic review, etc.

Additional information is available upon request.