

# TRUST ADVISORY GROUP, LTD



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CRD# 106926

Dated: March 28, 2024

This brochure provides information about the qualifications and business practices of Trust Advisory Group, Ltd. (“TAG” or/the “Firm”) all of which should be considered before becoming an advisory client of our firm. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

If you have any questions about the contents of this brochure or would like to request a brochure, please contact Bobby Kelly - Chief Compliance Officer at (781) 933-6100 or by email at [bkelly@tag-ages.com](mailto:bkelly@tag-ages.com).

Additional information about TAG is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. Our firm’s CRD number is 106926.

<b>Item 2. Material Changes</b>
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Since Trust Advisory Group's most recent annual amendment filing on March 31, 2023, there have been no material changes to this disclosure statement.

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#### **Item 4. Advisory Business**

Trust Advisory Group, Ltd. (“TAG” and/or the “Firm”) has been in business since 1994. TAG Group, Inc. (“TAG Group”) is the sole owner of TAG. Our headquarters are in Woburn, MA. and William H McCane is the current President. Mr. McCane owns more than 20% of TAG Group

TAG is primarily engaged in providing investment advisory and management services to individuals, banking and thrift institutions, trusts, estates, pension and profit-sharing plans, charitable organizations, and governmental and municipal agencies. We also provide financial planning services and, occasionally, we may offer advice on matters that do not involve securities.

We invest in a wide range of securities and asset classes. These may include equities or stocks, exchange-listed securities, over-the-counter securities, securities in foreign companies, ETPs, warrants, private placements, REITs, BDCs, LPs, DSTs, corporate debt securities, commercial paper, certificates of deposits, municipal securities, investment company securities, U.S. government securities, as well as packaged products including variable annuities, variable life insurance and mutual funds.

We may recommend mutual funds, particularly no-load or load waived funds, or other financial vehicles. In our selection of mutual funds we consider, among other things, the fund’s objectives, the fund’s performance history, the fund’s management style and philosophy, and the fund’s management fee structure.

TAG has an expense sharing agreement with AGES Financial Services, Ltd. (“AGES”), a full-service securities broker-dealer member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”), for access to staff, office space, supplies, etc. As part of the sharing agreement, TAG and AGES each pay their pro-rata share for such services. TAG and AGES are separate and distinct business, with TAG Group wholly owning each entity. TAG conducts its investment advisory business through a network of over 63 independent Investment Adviser Representatives (“IAR’s”). Many of the IARs operate in offices located throughout the United States. IARs may operate under their own business name(s) or DBA name(s), and their business name(s) and logos may appear on their sales and marketing materials. All sales and marketing materials used by IARs are reviewed and approved by the Firm. The business name(s) and DBA name(s) used by IARs are separate from and not owned and/or controlled by TAG or AGES. IARs may also offer and provide other services through their business name(s), however, with limited exceptions, investment advisory services offered by IARs must be provided through TAG. Information about the IAR’s other businesses can be found in the IARs’ Form ADV Part 2B Brochure Supplement.

A majority of TAG’s IARs are also dually registered as Registered Representatives (“RRs”) to solicit, offer, and sell securities through AGES. IARs may also be licensed as independent insurance agents through a wholly owned entity of TAG Group, Estate Insurance Services, Ltd. (“EIS”), an insurance broker with a resident license to do business in the Commonwealth of Massachusetts and numerous state non-resident licenses. to solicit, offer, and sell fixed and/or property and casualty insurance products in the states in which they conduct business. Therefore, IARs can potentially be acting in all three capacities when soliciting, offering, and selling investment products, investment advisory services, and/or insurance products to the client. IARs registered as RRs, IARs, and licensed as independent insurance agents create conflicts of interest when IARs solicit, offer, and sell securities and insurance products for which clients would pay a commission, while also soliciting, offering, and selling investment advisory services and managing the assets in their clients' accounts and charging a separate investment advisory fee.

##### **a. Investment Advisory Services**

We provide investment advice and investment management services. Our relationship with each client begins with an initial no-cost consultation. During this consultation we learn of the client's personal investment objectives, risk tolerance, income needs, liquidity needs and tax considerations. We then design an investment strategy that meets the client’s individual investment

objectives. Upon client approval, we move forward to implement the strategy. We manage all advisory accounts in accordance with each client's respective investment objectives, as specified in the advisory agreement executed between the client and TAG.

TAG provides non-discretionary and discretionary advisory services. We provide discretionary management services to clients who make such election in the advisory agreement. The granting of discretionary authority allows us to determine, without obtaining the specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, the broker or dealer to be used and the custodial fee or commission rate to be paid. Our discretionary authority and limitations are subject to negotiation with each client. Amendments or changes to this authority or limitations must be provided in writing to TAG.

The advisory agreement may be canceled at any time, by either party, for any reason upon receipt of written notice.

The advisory agreement is non-transferable without the client's written approval.

As of December 31, 2023, TAG had a total of \$560370156.06 in assets under management with approximately \$353036907.33 in discretionary assets and \$207333248.73 in nondiscretionary assets.

**b. Financial Planning Services**

Financial planning services are provided pursuant to a written consulting services agreement.

<b>Item 5.Fees and Compensation</b>
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**a. Investment Advisory Services**

Our advisory fees are negotiable. TAG charges a maximum annual advisory fee of two percent (2%) of total assets under management. Investment management fees are billed monthly or quarterly, in advance or in arrears at the end or beginning of the period based upon the value (market value or fair market value in the absence of market value), of the client's account at the end or beginning of the period. We will bill the client directly or deduct investment management fees directly from the client account(s) held by the qualified custodian, based on the client's election in the advisory agreement. Upon termination of any account(s), any earned, unpaid fees will be due and payable.

The advisory fees are not charged on the basis of a share of capital gains upon or capital appreciation of the funds.

All fees paid to TAG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, which are described in each mutual fund's annuity's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Accordingly, the client should discuss the use of mutual funds with the IAR.

Clients may incur additional expense from brokerage-based activities. All custodial and trade execution processing fees remain separate and distinct from fees charged by TAG for its advisory services.

**b. Financial Planning Services**

Financial planning services fees are negotiable. We offer two fee structures for our financial planning services: (a) an hourly rate, ranging from \$100 to \$350 per hour and, (b) a flat rate, ranging from \$300 to \$50,000. These fees are calculated based on the complexity and on the individual client's circumstances and needs. Clients agree to the fees upon execution of the TAG Consulting Services agreement.

Clients are billed at the time the services are rendered or on a quarterly basis, depending on the type services TAG provides.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

At this time, we do not manage any private funds. Therefore, side-by-side management is not a concern and performance-based fees are not charged for our asset management services.

## **Item 7. Type of Clients**

We generally work with individuals, banking and thrift institutions, trusts, estates, investment companies, pension and profit-sharing plans, charitable organizations, and governmental and municipal agencies. We also provide financial planning services and, occasionally, we may offer advice on matters that do not involve securities.

We have a minimum investment requirement of \$10,000 for opening an investment advisory account. TAG may aggregate the client's accounts to fulfill the minimum account size. The investment management agreement may be terminated if the balance falls below the required minimum.

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

### **a. Methods of Analysis.**

TAG employs numerous methods to analyze investment opportunities. We employ fundamental analysis to evaluate a security by attempting to measure its intrinsic value by examining related economic, financial, and other qualitative factors. We use technical analysis to evaluate securities by analyzing statistics generated by market activity, such as past prices and volume.

The investment strategies used to implement investment advice given to a client, taking into account the client's objectives, restrictions and risk tolerance, include long term purchases (securities held for 12 months or more), short term purchases (securities held for less than 12 months), trading opportunities (securities held for less than 30 days), short sales (the selling of a security expecting the price to decline), margin transactions (if the client allows borrowing), option writing or purchases (including covered option, covered spread strategies) and, we may engage in short-term trading of no-load or load waived mutual funds.

Portfolio securities weighting will be determined by each client's individual needs and circumstances.

Our primary sources of information include newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the SEC. In addition to standard financial and trade newspapers and magazines, we subscribe to a variety of electronic and print research information services such as Dow Jones News Retrieval, Thompson-Reuters, Morningstar, Standard and Poor's and Morningstar variable annuity performance reports. We also maintain an informal network of traders and other investment adviser representatives.

### **b. Risk of Loss.**

Investing in securities involves the risk of loss. Electing to follow the advice your IAR provides, indicates you have understood, are prepared for, and accepted this potential outcome. Investors face various risks, including but not limited to any or all of the following types of investment risks:

- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.
- **Equity:** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.
- **Fixed Income:** investments generally pay a return on a fixed schedule, though the amount

of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.). Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

- **Exchange Traded Funds (“ETFs”):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.
- **Alternative Invests:** An alternative investment is a financial asset that does not fall into one of the conventional investment categories. Conventional categories include stocks, bonds, and cash. Alternative investments can include private equity or venture capital, hedge funds, managed futures, art and antiques, commodities, and derivatives contracts. Real estate is also often classified as an alternative investment.

c. **General Risks:**

- **Market Risk:** The values and prices of securities may fluctuate in reaction to tangible events such as an underlying security’s operating results; or intangible events such as political, social, economic; or the forces of investor supply and demand. Securities values may decline upon negative influences from any of these circumstances.
- **Interest Rate Risk:** Fixed income securities (e.g., bonds) typically have an inverse relationship with the movements of interest rates, meaning the prices of bonds will generally decrease during periods of rising interest rates. Interest rates can change based on a number of economic factors including but not limited to inflation, U.S. Federal Reserve monetary policy, and supply/demand.
- **Credit Risk:** There are three forms of Credit Risk which can impact the price of a security.
  - **Default Risk** occurs when an issuer (e.g., a company or government entity issuing a bond) fails to satisfy the terms of the obligation with respect to the timely payment of interest and the repayment of the amount borrowed.
  - **Credit Spread Risk** represents the risk investors experience when the yields of fixed income securities fluctuate and affect the market value of the bond. The credit spread risk is generally determined by the yield of a fixed income security relative to its risk-free alternative.
  - **Downgrade Risk** is the risk that bond prices will decline, due to a downgrade in its issuer’s credit rating as assigned by agencies such as Moody’s or S&P.
- **Liquidity Risk:** Risk that a given security or asset cannot be readily traded, such as when there are few buyers for a security. This results in potentially having to sell the security at a loss.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Inflation Risk:** The uncertainty over the future real value of assets, due to the prevailing economic conditions.
- **Political Risk:** Risk that investment returns could suffer as a result of political changes or instability.
- **Leveraged Risk:** Although the Firm does not employ leverage in the implementation of its investment strategies, some strategies that the Firm allocates client's assets employ leverage. Leverage increases returns to investors if the investment strategy earns a greater return on leveraged investments than the strategy's cost of such leverage. However, the use of leverage exposes investors to additional levels of risk and loss that could be substantial.

You should work with your IAR to attempt to identify the balance of risks and rewards that are appropriate and comfortable for you. However, it is still incumbent on you to ask questions if you do not fully understand the risks associated with any investment or investment strategy. By opening an advisory account, you are explicitly acknowledging that you understand and accept that there is always a risk of loss, or below-market rates of performance.

While your IAR strives to render his/her best judgment on your behalf, many economic and market variables are beyond the control of your IAR and TAG and these variables may affect the performance of your investments. TAG and your IAR cannot assure you that your investments will be profitable, or that no losses will occur in your investment portfolio. Past performance is one consideration with respect to any investment or investment advice, but it is not a predictor of future performance.

#### **Item 9. Disciplinary Information**

On June 7, 2022, the Firm, without admitting or denying the findings, consented to the entry of the U.S. Securities and Exchange Commission's Order Instituting Administrative and Cease-And-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-And-Desist Order (the "**Order**"), Administrative Proceeding File No. 3-20890.

The Order found that TAG breached its fiduciary duty to its advisory clients in connection with its affiliated broker-dealer's receipt of revenue resulting from advisory clients' assets in cash sweep products. From December 2015 to March 2022, TAG's affiliated broker dealer, AGES Financial Services, Ltd. received revenue sharing payments from its clearing broker for TAG's clients' assets in cash sweep products, including money market mutual funds and FDIC-insured bank deposit accounts. The Order found that TAG failed to provide full and fair disclosure of this revenue sharing and the resulting conflicts of interest. Additionally, the Order found that TAG failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder related to its disclosure of cash sweep revenue sharing and the associated conflicts of interest. As a result of this conduct, the Order found that Trust Advisory Group willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. According to the Order, TAG agreed to pay disgorgement, prejudgment interest and a civil penalty totaling \$214,460.07. The Order is available at [sec.gov/litigation/admin/2022/ia-6406.pdf](https://sec.gov/litigation/admin/2022/ia-6406.pdf). Additional information regarding this matter can be found in the firm's Form ADV Part 1 available at [adviserinfo.sec.gov](https://adviserinfo.sec.gov) or upon request.

#### **Item 10. Other Financial Industry Activities or Affiliations**

As mentioned above, TAG Group, the sole shareholder of TAG, also owns (i) AGES, a Financial FINRA/SIPC registered broker-dealer and (ii) EIS, an insurance broker with a resident license to do business in the Commonwealth of Massachusetts and numerous state non-resident licenses.



TAG is an investment advisor and only offers investment and financial planning advice.

Some of the IARs of the Firm are also RRs of AGES and licensed insurance agents of EIS. When acting as a RR or insurance agent they may, from time-to-time, recommend to clients or take an order from a client to purchase or sell a security or insurance product. The Representative may personally earn a commission on the purchase or sale of securities or insurance products. When clients use StoneX as Custodian, TAG's affiliated broker dealer, AGES, will receive and retain commissions and 12b1 fee income, except for ERISA accounts. In addition, AGES will receive revenue for assets held via the overnight "Sweep Program" from TAG clients for assets held at StoneX, this will reduce the yield on those funds. TAG custodies with other firms should a client desire an alternative custodian. This financial incentive creates a conflict of interest between the client and the IARs of the Firm. As a broker-dealer, AGES provides a variety of financial products and services and may render advice as to the value and/or advisability of purchasing or selling securities. AGES' general securities accounts are maintained on a fully disclosed basis.

Affiliated companies may receive up to \$2.00 per confirmation from any postage and handling fees charged by TAG.

IARs may spend a portion of their time on estate and financial planning for clients, acting in the capacity as an attorney or CPA. TAG or any of its affiliates do not participate in any fee earned for such estate planning series.

Members of the firm may, from time-to-time, provide a written or verbal review of the current life, disability, and health insurance plans for clients. Insurance products, including fixed and variable annuities, are sometimes recommended to fit the needs of clients. Insurance reviews are not conducted for all clients and are only conducted upon specific request by the client.

TAG acknowledges a fiduciary obligation to place its clients' interests first. However, clients should be aware that the receipt of additional compensation itself can create a conflict of interest and may affect the judgment of the IAR when making investment recommendations. In order to properly handle such potential conflicts of interest, the firm has adopted a Code of Ethics. Please see Item 11 (below) for further discussion related to the firm's Code of Ethics.

We may occasionally advise clients in the selection of money managers. TAG may receive solicitation fees or pay sub-advisory fees to investment managers it recommends. In each such instance the solicitation fee or sub-advisory fee will be completely disclosed to the client and will be considered in negotiating the fee charged to the client.

<b>Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>
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The following is a brief description of TAG's Code of Ethics (the "**Code**") in accordance with SEC rule 204A-1 (the "**Rule**"). It requires every investment adviser registered or required to be registered under section 203 of the Advisers Act to establish, maintain and enforce a written code of ethics that, at a minimum, includes:

- A standard (or standards) of business conducts that TAG requires of each supervised person, which standard must reflect TAG's fiduciary obligations and those of its supervised persons;
- Provisions requiring the supervised persons to comply with applicable federal securities laws;
- Provisions that require all "access persons" to report, and TAG to review, their personal securities transactions and holdings periodically, the receipt of and giving of gifts, political contribution and outside business activities, which the Firm believes is reasonably designed to minimize potential conflicts of interest between the Firm and its' Clients.
- Provisions requiring supervised persons to report any violations of the Code promptly to the Chief Compliance Officer ("**CCO**") or, provided the CCO also receives reports of all violations, to other persons designated in the Code; and
- Provisions requiring TAG to provide each supervised person with a copy of the Code and

any amendments and requiring the supervised persons to provide TAG with a written acknowledgment of their receipt of the Code and any amendments.

The CCO is responsible for overseeing the Code where applicable, providing any revisions, and implementing its provisions. This oversight shall, at a minimum, include the following on a regular basis:

- Reviewing access persons' personal securities reports;
- Assessing whether access persons are following required internal procedures; and
- Evaluating transactions to identify any prohibited practices.

TAG will provide a copy of its Code to clients or prospective clients upon request.

Related persons of TAG may buy or sell for themselves securities they recommend to clients. It is TAG's expressed policy that no person employed by or affiliated with TAG shall prefer his or her own interest to that of a client or make personal investment decisions based on the investment decisions of our clients. All transactions on behalf of a related person of TAG are reported to TAG's CCO or designee, who reviews such transactions against transactions that have been recommended to TAG's clients, to ensure there is no conflict of interest or violation of Code.

**a. Insider Trading Policy**

It is further noted that the Firm has policies and procedures in place that are reasonably designed to ensure compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, the Firm has adopted a firm-wide policy statement that outlines insider trading compliance by the Firm and its associated persons or other employees. This statement has been distributed to all associated persons and other employees of the Firm and has been signed by each such person. Further, the Firm has adopted a written supervisory procedures statement highlighting the steps that shall be taken to implement the firm-wide policy. There are provisions adopted for (1) restricting access to files, (2) restricting and/or monitoring trading on those securities of which the Firm's employees may have non-public information, and (3) monitoring the securities trading of the Firm and its employees and associated persons.

<b>Item 12. Brokerage Practices</b>
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TAG generally recommends broker-dealers or custodians with whom it has established arrangements or agreements. TAG generally recommends Charles Schwab & Co., and StoneX Financial, (the "**Custodians**"), which each are an independent and unaffiliated FINRA registered broker-dealer and SIPC/NFA member. They all offer independent investment Advisors services which include custody of securities, trade execution, clearance, and settlement of transactions.

Factors considered by the Firm in making a recommendation of a brokerage firm include the size and reputation of the firm, its capital position, its commission rates in comparison to other firms, and its reporting procedures on client accounts. The Firm will not accept custody of any client funds or securities.

Clients may direct brokerage. In the event that a client directs TAG to use a particular broker-dealer, it should be understood that under those circumstances TAG will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

TAG may recommend AGES as a broker-dealer for clients desiring a broker to handle certain securities transactions that are either not available or not in the client's best interest in a fee-based environment. See discussion in Item 10 above regarding conflicts of interest.

**a. Best Execution**

Factors that the Firm considers in recommending each of the Custodians include historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Firm's clients shall comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher than

another qualified broker-dealer might charge to affect the same transaction where the Firm 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 a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Firm 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 Custodians are exclusive of, and in addition to, the Firm's Fees. The Firm's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

**b. Benefits From the Recommended Custodian**

The Firm receives from the Custodians such products and services that help the Firm to better manage and administer each client's accounts. These services and/or benefits are received at no additional cost to the client or Firm. Such services are computer software and related systems support that allow the Firm to better monitor client accounts maintained at the Custodians. The Custodians also provides the Firm and its clients with access to institutional brokerage-trading, custody, reporting, and related services, which are not typically available to retail customers. It also makes available various support services to the Firm, which help manage or administer client accounts.

In addition, the Firm may receive the following benefits: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively serves institutional brokerage group participants; access to block trading services that provide the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, and/or access to an electronic communication network for client order entry and account information, facilitate payment of the Firm fees from client's accounts, and assist with back-office functions, recordkeeping and client reporting.

The availability of these services benefits the Firm because it does not have to produce or purchase such services. The services are not contingent upon the Firm committing any specific amount of business to any of the Custodians. The benefits the Firm receives, that its clients may also benefit from, may give the Firm an incentive to recommend clients to maintain their accounts with either of the Custodians. Based on the Firm's interest in receiving services that benefit the Firm's business rather than based solely on the client's interest, the Firm's clients may not receive the best value in custody service and the most favorable execution of the client's transactions. In the opinion of the Firm, this does not disadvantage Firm's clients, because (i) the Firm's selection is primarily based on the scope, quality, and pricing for each Custodian and (ii) these services are those that are generally provided (without cost) to investment advisors by other custodians.

**c. Use of Soft Dollars**

The Firm does not participate in any soft dollar arrangements in which it receives credits from broker-dealers that may be used to offset the cost of research provided by such broker-dealer.

**d. Valuation**

The Firm will rely on the custodians and/or independent 3<sup>rd</sup> Party pricing services to value securities in each client's accounts that are listed on a national securities exchange or on NASDAQ at the last quoted sales price on the principal market where the securities are traded.

**e. Trade Errors**

From time-to-time, the Firm may make an error in submitting or processing a trade order. When this occurs, the Firm will correct the trade, depending on the facts and circumstances associated with the error itself and at the time the error was discovered. The Firm attempts to minimize the impact of trade errors by promptly performing daily reconciliation procedures with order tickets and intended orders. Trading errors will be corrected at no cost to client. Broker-dealers are not permitted to assume responsibility for trade error losses caused by the Firm. Nor may there be any

reciprocal arrangements with respect to the trade in question or any subsequent trade to encourage the broker to assume responsibility for such losses.

In most cases, the Firm will correct trade errors via the executing broker-dealer's trade error desk. This process effectively cancels the original trade and replaces it with the correct trade by moving the original trade into the Firm's Trade Error Account ("**Error Account**") and putting the correct trade into the client's account. In other words, the original trade (the trade made in error) is removed from the client's account and has no impact on the client. If there is a cost associated with this correction, such cost is borne by the Firm. Occasionally, this method of correcting an error result in a gain. Because this gain actually occurs in the Firm's Error Account, the Firm does not credit such gains to the client's account. Gains and losses posted to the Error Account are netted quarterly and any net gains are transferred to a Charitable Gift Trust controlled by the Firm.

**f. Cross Trades**

The Firm does not engage in cross trades between client accounts or the Firm and client accounts.

**g. Balancing the Interests of Multiple Client Accounts.**

The Firm may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to a client's investments and the performance resulting from such decisions may differ from client to client.

**h. Aggregating (Block) Trading For Multiple Client Accounts.**

The Firm will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have materially different amounts of capital under management by the Firm or different amounts of investable cash available. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

The Firm may allocate investment and trading opportunities among various clients in a manner believed by the Firm to be fair and equitable to each client over time. The Firm may place a Block Trade to purchase or sell the same security for multiple accounts if the Firm believes it will result in a more consistent execution among clients. The Firm will not include a client in a Block Trade unless the transaction is consistent with the client's investment objectives and/or restrictions. In determining to include or exclude a client's account in a Block Trade, the Firm will consider the following factors:

- The client's investment objectives and strategies
- The composition, size, and characteristics of an account
- The cash flows and amount of investment funds available to each client
- The amount already committed by each client to a specific investment.
- Each client's risk tolerance and the relative risk of the investment
- The marketability of the security being considered.
- Whether the Advisor has trading discretion over the account.

**i. Principal Transactions**

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "**principal transaction**"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Firm's management of its clients account(s) that received Portfolio Management Services, the Firm and its affiliates do not engage in principal transactions.

**j. Client Referrals**

Beacon does not receive client referrals from broker-dealers or third parties in exchange for using

their services.

### **Item 13. Review of Accounts**

TAG accounts are reviewed at least quarterly. The review may range from a review of trading during the quarter to a review of performance to a complete update of the client's entire financial plan. In addition, reviews are triggered by changes in the client's situation, in the applicable tax law, economic, political, and environmental conditions. At the client's request, additional or more frequent reviews may be conducted. Reviews are conducted by the individual responsible for the account, under the supervision of William H. McCance, President and Robert Kelly, CCO.

TAG provides its clients with verbal and written reports where external factors have occurred or upon clients' request. The Client receives monthly account statements from the custodian showing transactions in the account and positions at the end of the month.

### **Item 14. Client Referral and Other Compensation**

The Custodians of our client accounts offer "sweep accounts," in which the excess cash balance on securities account are "swept" into an interest paying account on a daily basis. Available sweep options include bank deposit accounts that are insured by the Federal Deposit Insurance Corporation ("FDIC"). Clients select their sweep option in the account opening document provided by the Custodian. Unless instructed otherwise by the client, the AGES and StoneX's default position is for the client to select the bank deposit sweep account option because it offers the greatest flexibility to quickly access cash reserves for the purchase of securities or withdrawal of funds to the client, there are no transaction charges for deposits and withdrawals, and for its FDIC coverage. Information regarding the calculation and payment of interest on cash balances, program banks participating in the bank sweep program, threshold of FDIC insurance coverage, and other relevant information is fully disclosed in the account opening documents provided by the Custodian.

Since AGES is an affiliated company of TAG, and acts as the designated broker-dealer for customer accounts held at StoneX, clients should be aware that AGES holds sweep account revenue-sharing agreements with StoneX, and therefore has a conflict of interest in that these agreements give AGES a financial interest to recommend these sweep vehicles over other investments. StoneX will compensate AGES up to 30 basis points (.3% annualized). Fees paid are based on the average daily balance of all AGES' client accounts with each custodian in aggregate. Clients should recognize that the interest rate earned on cash balances in sweep accounts fluctuates with market factors, and that higher (or lower) returns may be available elsewhere, and that returns could be higher investing in bank deposits directly, or in other comparable interest-bearing vehicles such as money market funds.

Revenue sharing from sweep accounts is only paid to AGES and not to TAG. No portion of any such fees collected by AGES is paid, or considered compensation directly or indirectly, to any advisor or other employee of TAG or any other AGES affiliate. AGES and TAG do not have any revenue-sharing agreements with client accounts held at Schwab and therefore do not receive any compensation related to client cash sweep account balances in those accounts.

TAG does not currently pay any Solicitors for a referral fee to an introducing party. If in the future the Firm's elects to engage a Solicitor, it will be fully disclosed to the client.

### **Item 15. Custody**

TAG's custody of the client's assets is limited to its authority to deduct its advisory fees from the client account(s) held by a qualified custodian.

Clients will be sent monthly account statements from their respective qualified custodians if a transaction occurs, but clients should receive at least quarterly account statements from their qualified custodians.

We urge all clients to carefully review their statements upon receipt. We recommend that clients

compare our reports to the applicable qualified custodian's account statement.

<b>Item 16. Investment Discretion</b>
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Clients execute an advisory agreement which governs TAG's discretionary authority and advisory fees. TAG maintains discretionary authority over the selection and number of securities to be bought or sold in client accounts without obtaining prior consent or approval from clients. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by TAG. Any limitations on this discretionary authority shall be included in writing. Clients may change/amend these limitations as desired. Such changes or amendments must be submitted to TAG in writing.

The size of any given trade will be determined by the size of the account. It is TAG's general policy that no initial position in a particular security will be greater than 10% of the client's portfolio with the norm being 5% or less. A client may direct TAG to take a larger position. Exceptions are made for mutual funds and diversified Exchange Traded Funds.

<b>Item 17. Voting Client Securities</b>
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TAG will not vote, or advise clients how to vote, proxies for securities held in client accounts. The client maintains the authority and responsibility for the voting of these proxies. TAG and its clients agree to this in the Advisory Agreement.

<b>Item 18. Financial Information</b>
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Under Rule 206(4)-4 of the Investment Adviser Act of 1940, Investment Advisers are required to disclose certain financial information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, TAG does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.