

INFORMATIONAL BROCHURE

**PERSONAL FINANCIAL SOLUTIONS, LLC**

**2517 HIGHWAY 35, BLDG I, SUITE 103  
MANASQUAN, NJ 08736  
732-722-7912**

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**This brochure provides information about the qualifications and business practices of Personal Financial Solutions, LLC (PFS). If you have any questions about the contents of this brochure, please contact us at 732-722-7912. 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.**

**Additional information about PFS is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for PFS is 129095. PFS is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## **ITEM 2: STATEMENT OF MATERIAL CHANGES**

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In this Item, PFS is required to discuss any material changes that have been made to the brochure. There are no material changes to report.

### ITEM 3: TABLE OF CONTENTS

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INFORMATIONAL BROCHURE  
PERSONAL FINANCIAL SOLUTIONS, LLC

**ITEM 4:      ADVISORY BUSINESS**

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Personal Financial Solutions, LLC (PFS) is an SEC registered investment advisor located in the state of New Jersey. PFS provides comprehensive financial planning services in the manner advocated by the Certified Financial Planning Board of Standards, Inc. PFS will also provide financial planning services on an as needed or a la carte basis if desired by the client. PFS specializes in the investment management aspect of financial planning. PFS has been in business since 1996. PFS' present ownership team has been in place since inception. PFS is owned equally by Kenneth P. LeBlanc, CFP®, and Ellen D. LeBlanc, MA.

Kenneth P. LeBlanc, CFP®, earned his Bachelor of Arts degree in Economics from Rutgers College Rutgers University in 1988, earned his Certified Financial Planner designation in 1996, passed the NASD Series #7 exam in 2001, and passed his NASD Series #63 exam in 2003.

Ellen D. LeBlanc, MA, earned her Master of Arts degree in Math Education from Teachers College Columbia University in 1991, and earned her Bachelor of Arts degree in Mathematics from Rutgers College Rutgers University in 1990.

**Services Provided**

***Investment Management:*** PFS provides ongoing management with comprehensive reviews and reports at least quarterly, within the framework of a well-defined approach and a statement of investment policy for each client. For a more detailed explanation please see item # 8 in this brochure.

***Financial Planning:*** PFS provides analysis in each of the following component areas either as part of a comprehensive plan or as individual components depending upon a particular client's needs and desires: Investment Analysis, Retirement Income Analysis, Estate Planning Analysis, Insurance Analysis, Business Planning Analysis, and College Funding Analysis.

***Investment Advisory:*** PFS provides one-time or periodic investment analysis. This service is wholeheartedly separate and distinct from Investment Management Services.

**Customization of Services**

Our clients are primarily individual investors. As a result, we may tailor our services to meet individual criteria. This may include adjusting asset allocation strategies to accommodate cash flow needs, risk tolerance levels, time horizons, as well as other specific criteria that may arise.

Clients may impose restrictions on investing in certain securities or types of securities. PFS does not advise clients to do so but will work with clients if the restrictions are deemed acceptable by both PFS and the client. For certain requests or restrictions PFS will advise clients to open separate non-managed accounts to meet those desires.

**Wrap Fee Programs**

PFS does not participate in wrap fee programs nor does PFS advise clients to do so otherwise.

### Assets Under Management

As of December 31, 2023, PFS managed a total of \$124,643,369 all of which is managed on a discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

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### A. Fees Charged

**Personal Financial Solutions, LLC, may charge Fees for services, as determined on a case-by-case basis, in either of the following two manners:**

**Percentage of Assets Under Management:** This is the primary method for billing with regard to Investment Management Services. Fees are billed 3 months in arrears on a quarterly basis. These fees are negotiable on a client-by-client basis. The client may terminate the relationship at any time. The base non-negotiated fee is based on the assets under management according to the following base schedule:

<u>Portfolio Value</u>	<u>Annual Rate</u>
\$0 - \$499,999	1.25%
\$499,999 - \$999,999	1.15%
Over \$1,000,000	1.00%

**Fixed Rate:** This is the primary method for Financial Planning and Investment Advisory Services. Fees are determined in accordance with a working knowledge of the complexity of the client's situation and the services requested. These fees are negotiable on a client-by-client basis. The fee, or fee calculation method, is determined and incorporated into the contract which is signed in advance by and for each individual client.

PFS will recommend and/or transact trades utilizing open-end mutual funds, exchange traded funds, and individual stocks and bonds that will incur transaction fees or commissions assessed by the custodian. Clients are advised of such fees prior to the execution of transactions.

### B. *Pro-rata* Fees

If client becomes a client during a quarter, they will pay a management fee for the number of days left in that quarter. If clients terminate the relationship during a quarter, they will be entitled to a refund of any management fees for the remainder of the quarter they may have prepaid. Once the notice of termination is received, PFS will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way clients direct (check, wire). PFS will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to PFS and will become a retail account with the custodian.

## ITEM 6: PERFORMANCE-BASED FEES

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PFS does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## ITEM 7: TYPES OF CLIENTS

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PFS provides investment management services, financial planning services, and investment advisory services to individuals, trusts, businesses, and qualified retirement plans.

PFS does not maintain any particular requirements for opening and maintaining accounts, however, PFS does reserve the right to decline to work with certain prospective clients and/or advise them to seek advice/services elsewhere if there does not appear to be the basis for a mutually beneficial, productive, and enjoyable relationship.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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It is important for clients to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

### *Investment Allocations & Investment Programs*

#### **Strategic vs. Tactical**

Investment portfolios will be managed under a combined Strategic and Tactical approach. The **strategic aspect** relates to the **long-term** “Base” allocation. Using Past History as our guide, we believe that over longer periods of time, the equity markets consistently provide more favorable results as compared to the bond markets. We believe it is equally true that the equity markets are more volatile on a year in and year out basis. Accordingly, these factors are combined with the client’s risk tolerance and usage requirements timeframe to form the strategic allocation.

The **Tactical aspect** relates to the intermediate-term current allocation target as it falls within the longer-term Strategic aspect. We believe that the various investment categories and styles go through cycles of market over/under performance. By utilizing a Tactical aspect we can “conservatively” enhance our client’s portfolio performance by systematically moving out of certain categories following historically long periods of out-performance. Conversely, we can more heavily focus on categories that have underperformed but have statistically shown evidence of an inflexion point. We will not engage in **Market Timing** aspects which are focused on short-term predictions with no evidence of an inflexion point.

All clients sign an initial Statement of Investment Policy and then they receive a comprehensive allocation statement within each quarterly report as a review of and identification of adjustments regarding the current and target parameters for each client portfolio, whether individual or combined.

#### **Diversification Across and Within Categories**

Three main levels of diversification are utilized across and within the investment portfolio strategy to enhance and protect assets.

***First Level of Diversification:*** Each client's Base Allocation utilizes ***four primary equity categories*** – Foreign Stock, Small Capitalization Domestic Stock, Mid-Level Capitalization Stock, and Large Capitalization Stock. Most clients will have exposure to three of four categories at all times unless circumstances dictate otherwise. Multiple categories are utilized because there is no known method to determine which category will outperform over the upcoming period. Additionally, by utilizing multiple categories we avoid the risk of being highly exposed to a single area of the market as any category is subject to potential significant and sudden downturns.

***Second Level of Diversification:*** Within each of the three primary domestic equity categories we recognize ***two distinct investment styles*** – ***Growth & Value*** – ***and a third style – Blend – which falls in the middle***. Much like the primary investment categories, these style classifications perform in cycles. When one style has outperformed for an above average period of time we will look to reduce exposure to it and conversely, we will look to re-build a position in a style that has been out of favor for a period of time.

***Third Level of Diversification:*** Once a client's investment portfolio's allocation parameters are clearly defined, the specific ***investments*** are selected. We select either open-ended mutual funds or exchange traded funds. We select investments based upon a variety of criteria including but not limited to manager tenure, consistency of above average results within style category, and sector exposure. Additionally, exposure to any one fund family is limited as it is our observation that they tend to perform in similar cycles.

#### **Ongoing Analysis, Adjustment, & Re-Balancing**

***Analysis:*** All aspects of a client's investment portfolio are monitored on an ongoing basis.

***Adjustments:*** Recommendations are made as indicated on an ongoing basis in much the same manner that an individual would care for their personal health – there is no need to wait for an annual or end of year date if there is sufficient evidence to warrant an adjustment that puts you in a more protected position. These adjustments would generally be in relation to manager changes or allocation modifications.

***Re-Balancing:*** Regular re-alignment and manager replacement transactions are executed as soon as feasible following the end of each quarter. Allocation modifications are not considered to be part of the regular re-balancing program.

#### **Investment Analysis**

PFS' investment Specialist, Kenneth P. LeBlanc, CFP®, utilizes several types of investment methods and sources of information. Mr. LeBlanc utilizes fundamental, technical, cyclical, and charting methods. Information is obtained from various sources including financial newspapers & magazines, rating services, annual reports, and prospectuses.

Mr. LeBlanc also attends various conferences and reads many publications which may contain other types of analysis methods not specifically identified above. Additionally, Mr. LeBlanc's conclusions are drawn from his working body of knowledge and specific circumstances within the current environment. Mr. LeBlanc does not rely exclusively on any particular security analysis method.

Depending on a client's given circumstances, PFS may recommend that a client rollover retirement plan assets to an Individual Retirement Account (IRA) managed by us. As a result, PFS may earn fees on those accounts. This presents a conflict of interest, as PFS has a financial incentive to recommend

that a client roll over retirement assets into an IRA PFS will manage. This conflict is disclosed to clients verbally and in this brochure. Clients are also advised that they are under no obligation to implement the recommendation to roll over retirement plan assets. PFS attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring advisors of PFS to acknowledge their fiduciary responsibility toward each client. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of the security in a client's portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short-Term Trading.** Clients should note that PFS may engage in short-term trading transactions. These transactions may result in short-term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long-term strategies. PFS endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that a client's investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.



- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin, therefore, carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. PFS may utilize margin on a limited basis for clients with higher risk tolerances.
- **Short Sales.** “Short sales” are a way to implement a trade in a security PFS feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus, in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus, in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. PFS utilizes short sales only when the client’s risk tolerances permit.
- **Risks specific to private placements, sub-advisors, and other managers.** If PFS invests some of a client’s assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as PFS believes them to be, that the investments they use are not as liquid as PFS would normally use in a client’s portfolio, or that their risk management guidelines are more liberal than PFS would normally employ.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While PFS selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector-specific issue analysis. This means that a client’s equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.
- **Transition Risk.** As assets are transitioned from a client’s prior advisers to PFS there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the

asset allocation strategy selected by PFS. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of PFS may adversely affect the client's account values, as PFS' recommendations may not be able to be fully implemented.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If a client requires PFS to liquidate a portfolio during one of these periods, the client will not realize as much value as they would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs.** In some limited circumstances, PFS may recommend that portions of client portfolios be allocated to public or private real estate investment trusts, otherwise known as "REITs." While there are some benefits to owning REITs, which include potential tax benefits, income, and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. Real estate investing can be highly volatile. The specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

- **MLPs.** PFS may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask PFS any questions regarding the role of MLPs in their portfolio.

- **Hedge Funds of Funds.** A hedge fund of funds is an investment vehicle whereby the investments are made into hedge funds (generally private placements) instead of directly into other securities such as stocks, bonds, and ETFs. Specific risks associated with hedge fund of funds include enhanced liquidity risk, in that the contractual liquidity terms available to the hedge fund of funds may be suspended, thus making it harder for the holder of an interest in a hedge fund of funds to access his or her own investment; enhanced manager risk, in that the fund is relying upon the management of the underlying funds (which is not known to the hedge fund of funds investor at the time of investment) as well as the hedge fund of funds manager; transparency risk, in that the fund of hedge funds manager may not be aware of all of the underlying holdings in each investee fund, and thereby be unaware of concentrations or exposures that may be excessive, or of specific positions that may be volatile.

Additional risks exist, and for a complete list, any investor should carefully review the fund of hedge funds placement memorandum.

- **BDCs (Business Development Companies).** Business Development Companies (BDCs) are a specific subset of investment companies that receive preferential tax treatment provided they meet certain investment restrictions and other regulatory requirements. Because BDCs are managed by third parties, and are frequently chosen for the perceived strength of their managers, the investment thesis, and tax treatment, the risks associated with a BDC investment generally follow directly from the manager, in that the manager ultimately controls the investments, and can adversely impact the tax treatment of the vehicle. Additional risks exist and may be specific to the particular BDC. Accordingly, investors should carefully review the BDC's prospectus and any addendums thereto.

- **Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by PFS is to hedge against principal risk, certain options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, clients may direct PFS, in writing, not to employ any or all such strategies for his/her/their/its accounts. Clients participating in the Options Strategy should *carefully* consider all information regarding the strategy and its risks prior to participating

- **Cryptocurrency Risk.** Cryptocurrency (notably, bitcoin), often referred to as "virtual currency", "digital currency," or "digital assets," operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Clients may have exposure to bitcoin, a cryptocurrency, indirectly through an investment such as the Greyscale Bitcoin Investment Trust ("GBTC"), a privately offered, open-end investment vehicle, or other investment vehicles. Clients may also have exposure to cryptocurrencies other than bitcoin. Cryptocurrency operates without central authority or banks and is not backed by any government. Even indirectly, cryptocurrencies (i.e., bitcoin) may experience very high volatility and related investment vehicles like GBTC may be affected by such volatility. Certain Crypto-related investments held by Clients may also trade at a significant premium to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to its relatively recent launch, bitcoin has a limited trading history, making it difficult for investors to evaluate investments in this cryptocurrency. It is also possible that a cryptocurrency other than bitcoin, including cryptocurrencies in which Clients have limited or no exposure to, could become materially popular and have a negative impact on the demand for and price of bitcoin. It is possible that another entity could manipulate the blockchain in a manner that is detrimental to the bitcoin network. Bitcoin transactions are irreversible such that an improper transfer can only be undone by the receiver of the bitcoin agreeing to return the bitcoin to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

- **Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows

money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors. ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

- **Market Disruption, Health Crisis, Terrorism and Geopolitical Risk.** Investments are subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical events increase short-term market volatility and may have adverse long-term effects on world economics and markets generally. These risks have previously led and may lead in the future to adverse effects on the value of client's investments.

## **ITEM 9: DISCIPLINARY INFORMATION**

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There are no disciplinary items to report.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **A. Broker-dealer**

Neither the principal of PFS, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

### **B. Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of PFS, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Relationship with Related Persons**

Kenneth P LeBlanc, CFP® is a one third owner-member of another New Jersey Registered Investment Advisory Firm, KML Financial Services Group, LLC. He spends 50% of his time tending to the business of each firm.

D. Recommendations of Other Advisers

PFS does not recommend or select other investment advisers for its clients.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT  
TRANSACTIONS AND PERSONAL TRADING**

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A. A copy of the PFS Code of Ethics is available upon request. The Code of Ethics includes discussions of the fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. PFS does not recommend to clients that they invest in any security in which PFS or any principal thereof has any financial interest.

C. On occasion, an employee of PFS may purchase for his or her own account securities which are also recommended for clients. The Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of PFS may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. The Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

**ITEM 12: BROKERAGE PRACTICES**

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A. Recommendation of Broker-Dealer

PFS does not maintain custody of client assets, though PFS may be deemed to have custody if a client grants PFS authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. PFS recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. PFS is independently owned and operated and is not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when PFS instructs them to, which PFS does in accordance with its agreement with the client. While PFS recommends that clients use Schwab as custodian/broker, the client will decide whether to do so and will open their account with Schwab by entering into an account agreement directly with them. PFS does not open the account for clients, although PFS may assist clients in doing so. Even though the client account is maintained at Schwab, we can still use other brokers to execute trades for the client account as described below (see "Client brokerage and custody costs").

## **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to PFS as part of our evaluation of these broker-dealers.

## **Your brokerage and custody costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client's Schwab account. In addition to commissions, Schwab charges clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize client's trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

## **Products and services available to us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like PFS. They provide PFS and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help PFS manage or administer our clients' accounts, while others help PFS manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to PFS. Following is a more detailed description of Schwab's support services:

### *Services that benefit clients*

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients and client accounts.

### *Services that may not directly benefit clients.*

Schwab also makes available to us other products and services that benefit us but may not directly benefit clients or client accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

*Services that generally benefit only us.*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that clients maintain their account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to PFS as part of our evaluation of these broker-dealers.

## **ITEM 13: REVIEW OF ACCOUNTS**

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All investment management clients are reviewed at least quarterly by PFS', investment specialist Kenneth P. LeBlanc, CFP®. Clients receive a comprehensive quarterly report that includes a detailed listing of positions, overall performance and individual asset performance analysis, current versus target allocation comparisons, allocation changes if any, and detailed invoice. The quarterly analysis includes a review of the allocation, the individual holdings, pending distributions/contributions, and the current market conditions/cycles.

While quarterly reviews occur automatically, periodic reviews are conducted on an as needed or as requested basis for such things as a material change in financial condition, employment status, deposit/withdrawal, as well as other items. The annual report in writing provided by PFS is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Schwab. Please refer to Item 15 regarding Custody.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

*Please refer to Item 12, where recommendation of Broker-Dealers is discussed.*

### **B. Compensation to Non-Advisory Personnel for Client Referrals.**

PFS does not receive compensation from third parties and does not compensate third parties for client referrals. PFS does not receive nor provide compensation for client referrals.

## **ITEM 15: CUSTODY**

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There are two avenues through which PFS has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization (“SLOAs”). SLOAs permit a client to issue one document that directs PFS to make distributions out of the client’s account(s). Clients will receive statements directly from the account custodian, and copies of all trade confirmations directly from the account custodian.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by the qualified custodian. Each month, the client will receive a statement from their account custodian showing all transactions in their account, including the fee. We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on reports prepared by PFS against the information in the statements provided directly from the custodian. Please alert us of any discrepancies.

In addition to the account custodian’s custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to PFS or the account custodian.

## **ITEM 16: INVESTMENT DISCRETION**

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When PFS is engaged to provide asset management services on a discretionary basis, PFS will monitor client accounts to ensure that they are meeting client asset allocation requirements. If any changes are needed to a client’s investments, PFS will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. Clients may receive at their request written or electronic confirmations from the account custodian after any changes are made to the client’s account. Clients will also receive monthly statements from their account custodian. Clients engaging PFS on a discretionary basis will be asked to execute a Limited



Power of Attorney (granting PFS the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and PFS.

## **ITEM 17: VOTING CLIENT SECURITIES**

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From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. PFS will not accept authority to vote client proxies. Clients will receive their proxies directly from the custodian for the client account. PFS will not give clients advice on how to vote proxies.

## **ITEM 18: FINANCIAL INFORMATION**

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PFS does not require the prepayment of fees of \$1,200 or more, more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair the ability to meet contractual obligations to clients.