

# **PrimeTRUST Advisors LLC**

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## **FORM ADV PART 2A DISCLOSURE BROCHURE**

**March 21, 2024**

This brochure provides information about the qualifications and business practices of PrimeTRUST Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at: (864) 552-4020 or via e-mail at [chunt@primetrustadvisors.com](mailto:chunt@primetrustadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PrimeTRUST Advisors, LLC. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for PrimeTRUST Advisors, LLC. is 141625.

PrimeTRUST Advisors, LLC. 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 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the Firm's last annual updating amendment dated March 6, 2023, there are no material changes to report.

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## Item 4 Advisory Business

### A. Description of Services

PrimeTRUST Advisors, LLC. ("PrimeTRUST", "Advisor" or the "Firm") is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). The Advisor is based in Greenville, South Carolina. The Firm is organized as a limited liability company under the laws of the State of South Carolina. PrimeTRUST has been providing investment advisory services since 2006. Julian Grice (Chip) Hunt, Jr. is the Firm's principal owner.

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by PrimeTRUST. The words "you", "your" and "Client", as used in this brochure, refer to you as either a Client or prospective Client of PrimeTRUST. Also, you may see the term "Associated Person(s)" throughout this brochure. Associated Persons are the Firm's officers, employees, and all individuals providing investment advice on behalf of the Firm.

### B. Advisory Services Offered – Institutional Clients

PrimeTRUST Advisors offers fee-based investment advisory services and consulting services to Institutional Clients sponsoring tax-qualified defined-benefit pension and defined contribution retirement plans (each referred to as "Retirement Plan") for their employees.

#### Investment Management Services

PrimeTRUST offers investment advisory services to those institutions sponsoring various types of Retirement Plans, including defined benefit plans, cash balance pension plans, profit sharing plans, employee stock ownership plans, 401(k) plans, and 403(b) plans. The Firm's services are designed to guide institutional plan sponsors to support their fiduciary obligations under the Employee Retirement Income Security Act ("ERISA").

The Firm works with Institutional Clients to establish the Retirement Plan's investment needs, goals, and objectives. PrimeTRUST then prepares a written investment policy statement to memorialize the goals, the investment performance standards and criteria under which the investment fund options are to be initially selected and then measured, monitored, and evaluated on a recurring basis.

PrimeTRUST will primarily recommend mutual funds or ETFs for the Institutional Clients' Retirement Plan according to the selection guidelines within the Investment Policy Statement.

For defined benefit pension plans, PrimeTRUST will work with the institution's duly appointed retirement committee to establish the asset allocation that best aligns with the institution's financial parameters including considerations such as their financial risk objectives, funded status, and desired contribution levels.

Under the Firm's non-discretionary investment advisory services arrangement, the definitive decision-making authority for the selection of the Retirement Plan's investment options belongs exclusively to the Institutional Client upon consideration of the advisory services provided by the Advisor.

In addition to the non-discretionary investment advisory services, in certain circumstances, PrimeTRUST may accept the responsibility to manage plan assets with discretion as a fiduciary. In performing fiduciary services, the Firm is acting as a discretionary fiduciary of the Retirement Plan as defined in Section 3(38) under ERISA. In these cases, the terms and conditions for such an engagement are included in the investment advisory services agreement.

As part of the Firm's investment advisory services, PrimeTRUST may recommend that you use the services of a third-party investment adviser ("TPA") to manage a portion of the Retirement Plan investment portfolio. Factors that the Firm takes into consideration when making the recommendation(s) include the following: the TPA's performance and experience, methods of investment analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. The Advisor will periodically monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

#### Consulting Services

PrimeTRUST provides fee-based consulting services for Institutional Clients that sponsor a Retirement Plan. The Firm gathers extensive information on each plan at the commencement of an engagement to determine which of the Firm's services can benefit the Plan Sponsor. PrimeTRUST outlines a recommended scope of work for the consulting project for approval by the Plan Sponsor. The specific details of any engagement to provide consulting services are agreed upon in writing prior to the commencement of the project and are subject to the terms and conditions of a Consulting Agreement.

These services, some of which are discussed below, may be provided separately or in combination with one another, depending on the needs of the Plan Sponsor.

- *Plan Service Provider Evaluation and Plan Fees Review*

This process helps fiduciaries to satisfy one of their primary fiduciary duties -- to assure that plan fees and expenses are fair and reasonable within the context of the services provided.

PrimeTRUST can be engaged on a one-time basis to evaluate your Retirement Plan service provider. The Firm does this by taking an inventory of the services offered to your Retirement Plan, evaluating the multitude of service functions, assigning a "value" score for each of the major service components, and rendering an overall evaluation score of your existing service provider and comparing that score to a peer group of service providers. As part of the project, PrimeTRUST reviews and evaluates your existing plan fee and expense arrangements, including trustee/custodial fees, record keeping fees, administration and investment related fees.

The centerpiece of the study is the Firm's proprietary cost/benefit analysis which enables fiduciaries to better determine the value proposition of their existing services provider(s). The Firm's analysis will be based on information supplied by you, your service provider(s), and third-party databases.

- *Defined Benefit Pension Plan Management*

PrimeTRUST provides a process-oriented consulting service for Plan Sponsors who need assistance managing their pension plan throughout the wind-down phase to the plan's eventual termination or restoration to its fully funded status. This includes determining plan sponsors goals, then designing and implementing a multi-year project management plan incorporating establishing the plan's funding policy, investment policy, benefit design management, supervising asset liability studies, developing liability driven investment strategies, and coordinating the steps for formal plan termination process.

PrimeTRUST helps fiduciaries by coordinating, guiding and monitoring the activities of the plan's actuary, attorney, accountant, corporate finance executive team, investment manager, and the administration and recordkeeping firm. The Firm's proprietary Quarterly Plan Performance Monitoring Reports track the project plan's progress using metrics key to the plan's successful outcome; including reporting on sources of change to the plan's funded status, funding schedules for the plan year and calendar year, summary trust report statement

of contributions and distributions, and investment performance reviews to customized relevant pension plan benchmarks.

- *Plan Service Provider Search and Recommendation*

PrimeTRUST will work with the Plan Sponsor, named fiduciary or investment committee (hereafter, referred to as the "Responsible Plan Fiduciary") to establish selection criteria for conducting a search of retirement plan service providers based upon the plan's service requirements and benefit resource needs. The Advisor will identify and screen potential service providers, benchmarking each according to the agreed upon selection criteria and score them accordingly. The Advisor will then make a recommendation to Responsible Plan Fiduciary for their consideration in making a final decision.

- *Employee Education*

For pension, profit sharing and 401(k) plan Clients designed to allow individual plan participants to exercise control over assets in their own account ("self-directed plans"), PrimeTRUST may also provide periodic educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by PrimeTRUST and the Client but will be limited to those activities that are educational in nature.

- *Fiduciary Education and Training*

PrimeTRUST can provide fiduciary education and training to the fiduciaries of the plan. Such training will include comprehensive discussion and supplementary handout materials pertaining to topical fiduciary issues including: identification of fiduciaries, discussion of fiduciary duties, responsibilities and liabilities under ERISA, presentation of a "blue print" for procedural prudence, fiduciary risk management strategies and approaches to delegating responsibility to a prudent expert.

### **C. Advisory Services Offered – Individual Clients**

PrimeTRUST Advisors offers fee-based investment advisory and consulting services to Individual Clients in need of financial planning or investment advisory services.

#### **Financial Planning Services**

PrimeTRUST offers financial planning services which typically involve providing a variety of advisory services to Clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning.

Financial planning is a process that focuses on ascertaining a Client's financial goals and then developing a written plan to help the Client achieve those goals. A written financial plan is created by the Firm to carry an individual Client from his or her present financial position to the attainment of financial goals. Since no two Clients are alike, the plan must be designed for the individual, with the Advisor's recommended strategies tailored to each particular Client's needs, abilities, and financial goals.

Financial plans will vary based on the information provided by the Client. If you retain PrimeTRUST for financial planning services, the Firm will meet with you to gather information about your financial circumstances and objectives. PrimeTRUST may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once your specified long-term objectives (both financial and non-financial) are identified, the Firm will develop shorter-term, targeted objectives. PrimeTRUST will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial planning and consulting recommendations may pose a conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Similarly, a recommendation to purchase an insurance product for which the Firm receives a commission would pose a conflict. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect transaction through the Advisor.

### **Investment Management Services**

*PrimeTRUST* offers discretionary investment advisory and asset allocation services tailored to meet the Firm's individual Clients' needs and investment objectives primarily using mutual funds and exchange-traded funds.

The Firm provides advice in connection with one or more of the following items as needed:

- Selection and establishment of investment account arrangements,
- Organization on the use and purposes of various financial accounts,
- Manage rollovers, transfers, or distributions to/from accounts,
- The investment of assets that are rolled over or otherwise transferred or distributed to accounts,
- Acquiring, holding, disposing of investment assets within investment accounts,
- Management of the investments, including strategies and portfolio composition

If you participate in the Firm's discretionary portfolio management services, *PrimeTRUST* requires you to grant the Firm discretionary authority to manage your account. Discretionary authorization will allow the Firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with the Firm and the appropriate trading authorization forms. You may limit the Firm's discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing *PrimeTRUST* with your restrictions and guidelines in writing.

*PrimeTRUST* may also offer non-discretionary portfolio management services. If you enter non-discretionary arrangements with *PrimeTRUST*, the Firm must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by the Advisor on a non-discretionary basis.

As part of the Firm's investment management services, in addition to other types of investments, *PrimeTRUST* may invest your assets according to one or more model portfolios developed by *PrimeTRUST*. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

### **D. IRA Rollover Recommendations**

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, *PrimeTRUST* provides the following acknowledgment to Individual Clients.

When *PrimeTRUST* provides investment advice to Clients regarding their retirement plan account or individual retirement account, *PrimeTRUST* is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable. These are laws and

regulations governing retirement accounts. The way in which PrimeTRUST generates its income (gathering assets under the Firm's management) creates some conflicts of interest with Clients who are holding assets in IRAs and 401(k)-type account that are not under the Firm's management. To mitigate this conflict, PrimeTRUST operates under special rules that requires the Firm to act in a Client's best interest when making recommendations for 401(k)/IRA Rollovers and not put PrimeTRUST's interest ahead of the Client. Under this special rule's provisions, the Firm must:

- Meet a professional standard of care when making investment recommendations (give prudent advice),
- Never put the Firm's financial interests ahead of a Client's when making recommendations (give loyal advice),
- Avoid misleading statements about conflicts of interest, fees, and investments,
- Follow policies and procedures designed to ensure that the advice given is in a Client's best interest,
- Charge no more than is reasonable for the Firm's services; and
- Provide Clients with basic information about conflicts of interest.

PrimeTRUST benefits financially from the rollover of Client assets from a retirement account to an account that the Firm manages or provides investment advice, because the assets increase the Firm's assets under management and, in turn, the Firm's advisory fees. As a fiduciary, PrimeTRUST recommends a rollover only when the Firm believes it is in a Client's best interest.

## **E. Client Account Management**

Prior to engaging PrimeTRUST to provide investment advisory, consulting or financial planning services, each Client is required to enter into one or more agreements with the Firm and the Client.

These advisory services may include:

- Investment Management Services for Institutional Clients
- Investment Management Services for Individual Clients
- Consulting Engagements
- Financial Planning Services

## **F. Types of Investments**

PrimeTRUST primarily offers advisory services on mutual fund and exchange-traded fund products.

A mutual fund is a financial vehicle that pools assets from individual investors to invest in securities like stocks, bonds, money market instruments, and other assets. Mutual funds give small individual investors access to professionally managed portfolios of equities, bonds, and other securities. Each investor, therefore, participates proportionally in the gains or losses of the fund.

Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

An exchange-traded fund (ETF) is a type of pooled investment security that operates much like a mutual fund. Typically, ETFs will track a particular index, sector, commodity, or other asset, but unlike mutual funds, ETFs can be purchased or sold on a stock exchange the same way that a regular stock can.



An ETF can be structured to track anything from the price of an individual commodity to a large and diverse collection of securities. ETFs can even be structured to track specific investment strategies.

Additionally, PrimeTRUST may advise you on any type of investment that the Advisor deems appropriate based on your stated goals and objectives. The Advisor may also provide advice on any type of investment (including individual securities) held in your portfolio at the inception of your advisory relationship with PrimeTRUST.

You may request that the Advisor refrain from recommending particular securities or certain types of securities for investment. You must provide these restrictions to the Firm in writing.

## **G. Wrap Fee Programs**

PrimeTRUST does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by PrimeTRUST.

## **H. Assets Under Management**

As of December 31, 2023, PrimeTRUST provides continuous management services for \$15,562,029 in Client assets on a discretionary basis, and \$283,438,977 in Client assets on a non-discretionary basis.

PrimeTRUST provides investment advice to defined benefit pension, 401(k) profit sharing and 403(b) plans with respect to assets having an aggregate value of approximately \$299 million.

## **Item 5 Fees and Compensation**

The following paragraphs detail the fee structure and compensation methodology for services provided by the PrimeTRUST. Each Client engaging the Firm for services described herein shall be required to enter into a written service agreement with the Advisor.

### **A. Fees for Advisory Services Offered – Institutional Clients**

#### Investment Management Services

Information noted below addresses the general fee ranges, calculation methods, billing frequency, and manner of billing. Advisory service fees are billed monthly in arrears pursuant to the terms of the advisory services agreement. Advisory fees are based upon one of the calculation methods below:

<i>Asset-Based Fees (Percentage of Assets Under Management)</i>	
<b>Assets Under Management</b>	<b>Annual Percentage Rate</b>
Less than \$7,500,000	0.50%
\$ 7,500,001 to \$10,000,000	0.35%
\$10,000,001 to \$15,000,000	0.30%
\$15,000,001 +	0.25%

This schedule is used as a guideline only; all fees are subject to negotiation at the Firm's sole discretion.

Asset-based fees are billed monthly in arrears based on the value of the assets on the last day of the prior month. If any advisory relationship begins after the first day of a month or terminates before the last day of a month, fees are prorated accordingly.

- *Recurring Flat Fees*

PrimeTRUST may charge an ongoing flat fee for the Firm's investment management services for Retirement Plan Clients. In general, the Firm's flat fee ranges from \$10,000 to \$50,000 on an annual basis, depending upon the level and scope of the services required.

Recurring Flat Fees are generally billed monthly in arrears. If any relationship begins after the first day of a month or terminates before the last day of a month, fees are prorated accordingly.

### Consulting Services

- *Non-Recurring Flat Fees*

In certain circumstances, PrimeTRUST may charge a non-recurring flat fee for consulting services where the service may involve a specialized function. Such fees are generally set as a pre-determined, one-time flat fee. All such fixed fees are determined on a case-by-case basis and will vary upon the specific factors associated with the requested service. All flat fees will be specified in the Client service agreement, or other such applicable agreement used to define such services.

Upon the determination of a one-time flat fee arrangement, PrimeTRUST may request an advance payment of one quarter of the entire flat fee amount prior to performing the agreed upon consulting service.

Clients are be billed directly by PrimeTRUST for the remaining balance for consulting services. The Client will be invoiced by the last business day of the month subsequent completion of the agreed upon deliverables. Payments are due within 30 days of the date that the invoice is generated. Payment of the invoice may be made by the Client or the Plan Trustee with the Client's pre-authorization to approve the payment of such invoices. The Client will be copied on all invoices which may be billed directly to the plan trust.

### Third-Party Fees

- *Other Investment-Related Fees*

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

In addition to the Firm's advisory services fees, you may be assessed other fees by other parties independent from PrimeTRUST. Clients may also incur, relative to certain investment products (such as mutual funds and ETF's), charges imposed directly at the investment product level (e.g., advisory fees, administrative fees, and other fund expenses). Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not PrimeTRUST. Any such fees are exclusive of, and in addition to, PrimeTRUST's fees. You acknowledge that you will be solely and directly responsible for such fees.

- *Third-Party Advisors*

Advisory fees (if applicable) charged by Third-Party Advisors ("TPAs") are separate and apart from PrimeTRUST's advisory fees. Assets managed by TPAs will be included in calculating the Firm's advisory fee, which is based on the fee schedule set forth above.

Advisory fees that Clients pay to the TPA are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each TPA to whom you

are referred. These fees may or may not be negotiable. You should review the recommended TPA's brochure and take into consideration the TPA's fees along with PrimeTRUST's fees to determine the total amount of fees associated with this program.

You will be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

## **B. Fees for Advisory Services Offered – Individual Clients**

### Financial Planning Services

PrimeTRUST charges a fixed fee for financial planning services, which generally range between \$600 and \$2,000. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. PrimeTRUST may require an upfront deposit paid in good faith to initiate the service. The balance of the fee will be due upon completion of the agreed upon deliverables.

The Firm will not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

### Investment Management Services – Fee Schedule

PrimeTRUST's fee for investment management services is based on a percentage of the assets in your account(s) and is set forth in the following annual fee schedule:

<b>Assets Under Management</b>	<b>Annual Rate</b>
Less than \$200,000	\$2000 minimum fee
\$200,000 +	1.00%

Fees may be negotiable at the discretion of the Firm. The Client's fees will take into consideration the aggregate assets within account(s) under management with Advisor.

At the Firm's discretion, PrimeTRUST may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, the Firm may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in the Firm's fee schedule stated above.

The Firm's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Firm does not receive any portion of these commissions, fees, and costs.

### Investment Management Services -- Fee Billing

The investment management service fee is billed and payable monthly in arrears based on the value of the account(s) as of the last trading day of the prior month. All security positions held in account(s) managed by PrimeTRUST will be independently valued by the designated custodian. PrimeTRUST will not have the authority or responsibility to value the securities in your account(s).

If the portfolio management agreement is executed at any time other than the first day of a calendar month, the Firm's fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the month for which you are a Client.

PrimeTRUST will deduct the Firm's fee directly from your account(s) through the qualified custodian holding your investment positions. In order for the Firm to directly deduct fees from your account(s) held at the designated custodian, PrimeTRUST will implement the following processes to keep you informed:

- You provide PrimeTRUST with one-time written authorization permitting the fees to be paid directly from your account(s) held by the qualified custodian.
- PrimeTRUST provides you a *copy* of each invoice that the Firm submits to the custodian for payment indicating the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated.
- The designated custodian will send you an account statement, at least quarterly, indicating the value of your investment positions within the account and the amount of fees disbursed from your account(s) including the amount of the advisory fee paid directly to PrimeTRUST.

It is a good practice for you to reconcile the Firm's invoices with the account statement(s) you receive from the qualified custodian. If you find any inconsistent information between the Firm's invoice and the statement(s) you receive from the qualified custodian, call the main office number located on the cover page of this brochure.

You may terminate the investment management agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the investment management agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a Client. If you have pre-paid advisory fees that PrimeTRUST has not yet earned, you will receive a prorated refund of those fees.

### **C. Fidelity Wealthscape Platform Access – Fee Sharing Agreement**

Individual Client accounts are generally custodied at Fidelity Investments ("Fidelity") on the Fidelity Wealthscape platform under an arrangement with Asset Strategy Retirement Plan Consultants ("ASRPC"), an unaffiliated investment advisory firm.

Under this arrangement, ASRPC and Fidelity have granted PrimeTRUST third-party access to the Wealthscape platform as authorized users for the Firm's Individual Clients by segregating accounts at the firm level between ASRPC and PrimeTRUST.

ASRPC does not manage, nor provide any advisory services to any of PrimeTRUST's segregated Individual Client accounts. PrimeTRUST is solely responsible for advising its Individual Clients in the Firm's segregated accounts on the Fidelity Wealthscape platform and for effecting the transactions therein.

There is no additional fee charged to Clients as a result of the relationship between ASRPC and PrimeTRUST. PrimeTRUST debits its advisory fees from its Individual Client accounts quarterly according to the Firm's advisory agreement with each individual Client. To compensate ASRPC for this arrangement, PrimeTRUST Advisors pays ASRPC 20% of the Firm's advisory fees attributable to the firm's segregated accounts on the Wealthscape platform.

## **D. Additional Fees and Expenses**

As part of the Firm's investment advisory services to you, PrimeTRUST may invest, or recommend that you invest, in mutual funds and exchange traded funds. These fees will generally include a management fee and other fund operational expenses.

You may also incur transaction charges and/or brokerage fees when purchasing or selling investment positions. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. PrimeTRUST does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, PrimeTRUST, and others.

## **E. Compensation for the Sale of Financial Products**

Associated Persons of the Firm providing investment advice to Individual Clients are licensed as independent insurance professionals. These persons may earn commission-based compensation for selling insurance products to you. Insurance commissions earned by Associated Persons are separate and apart from, and in addition to, the Firm's advisory fees. Because such Associated Persons have a financial incentive to recommend insurance products, a conflict of interest exists. You are, in any event, under no obligation, contractually or otherwise, to purchase insurance products through any Associated Person affiliated with the Firm.

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

PrimeTRUST does not accept performance-based fees or participate in side-by-side management for its advisory services.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a Client's account.

The Firm's fees are calculated as described in "Item 5 Fees and Compensation" and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

### **A. Advisory Service Clients – Institutions**

PrimeTRUST offers fee-based investment advisory services and consulting services to institutions offering tax-qualified defined-benefit pension and defined contribution retirement plans (each referred to as "Retirement Plans").

### **B. Advisory Service Clients – Individuals**

PrimeTRUST offers financial planning and investment advisory services to individuals.

In general, the Firm does not require a minimum dollar amount to open and maintain an advisory account. However, PrimeTRUST reserves the right to terminate the advisory agreement if your account(s) falls below a minimum size which, in the Advisor's sole opinion, is too small to effectively manage.

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

### **A. Methods of Analysis**

PrimeTRUST primarily employs fundamental and technical analysis methods in developing investment strategies designed to achieve stated goals for its Clients. The Firm primarily utilizes mutual funds and exchange-traded funds to construct investment strategies. When analyzing mutual funds and exchange-traded funds as component elements of investment strategies, PrimeTRUST attempts to confirm the appropriateness, reliability, and consistency of the funds' fit within the overall investment strategy. When evaluating a specific funds, a relevant statistical analysis is conducted which includes, but is not limited to, the investment manager's approach to implementing the investment style, the quality of the funds' underlying holdings, how closely the fund tracks its benchmark, the cost of the funds, the relative risk of the funds, the size of the funds, and other related measures. To enhance the Firm's efforts, research and analysis is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, participation in conference calls with mutual fund management teams, and webinars, and research prepared by others.

The Firm's Chief Investment Strategist and designated staff members actively participate in the Firm's investment research effort. The priority is for the Firm to establish a repeatable and consistent process for researching and evaluating investment opportunities for Clients so as to expect continuity of performance results across the spectrum of the Firm's Client base.

### **B. Investment Strategies – Institutional Clients**

#### Defined Benefit Pension Plans

The ultimate goal of a defined benefit plan is to provide the specific retirement benefits promised to the plan participants of an employer-sponsored plan. In order to fulfill this obligation, sufficient contributions and investment returns must be generated for the benefit of the plan and its participants.

A distinctive consideration for pension plan investing is that the employer bears the investment risk of the plan, not employees. Poor investment performance directly translates to increased contributions and PBGC premium costs to the employer to make up for insufficient investment returns.

Because investment risk flows through to the financial statements of the employer, this transforms the plan's investment risks to the employer's financial risks. Accordingly, this transformation necessitates that the employer's financial risk be controlled by mitigating the volatility of a plan's funded status. As such, PrimeTRUST utilizes a liability-driven investment ("LDI") approach for pension plans. Because pension plan liabilities values are sensitive to the movement of interest rates, the LDI strategies that PrimeTRUST employ tend to restrain funded-status volatility by hedging interest rate risk.

The Firm's foundational approach to implementing and designing an LDI investment strategy is to invest the plan's assets in a manner that respond similarly to the changes in value of the plan's liabilities when interest rates change. The synchronized movements of plan assets and plan liabilities in response to interest rate shifts preserve the funded status of the plan.



As a critical component of risk management, PrimeTRUST counsels with plan sponsors to assess their financial risk tolerance. The Firm seeks to build an LDI strategy that aligns with the employer's risk tolerance by allocating an appropriate portion of the portfolio to a hedging strategy (against interest rates shifts) while allocating any remaining portion of the portfolio to return-seeking strategy.

To complement the effort, PrimeTRUST employs a dynamic asset allocation strategy that periodically monitor's the plan's performance results (funded-status) and automatically adjusts the portfolio's allocation overtime as the funded-status attains prescribed thresholds. The approach is designed for executing a systematic process of de-risking the portfolio on a pre-set glide-path as funded status improves.

#### Defined Contribution Plans

Employer-sponsored 401(k) plans (typically with an accompanying employer-provided profit sharing and matching contribution account) are the dominate defined contribution plan design in existence. The distinctive investment feature of a 401(k) plan is that the plan commonly provides a menu of investment options from which employees choose to invest their accounts. Importantly, employees bear the investment risk of their accounts.

Because plan sponsors have a fiduciary responsibility to select the options for the investment menu, PrimeTRUST, as a prudent expert, provides advisory serves to plan sponsors to assist them in satisfying those responsibilities. PrimeTRUST recognizes that while a plan's investment menu should offer a diverse array of investment choices (designed to satisfy a wide range of participant objectives), it should refrain from over-complicating the plan, making it more difficult for employees to make informed decisions.

As such, PrimeTRUST's attempts to simplify the investment selection process for employees by identifying three general participant behavioral profiles and offering investment strategies targeted to meet the perceived needs for each profile group. Below is a summary of the participant profile groups and the investment strategies targeted for the group.

- *Strategies for the "Skilled Investor" Participant* – Participants who are fully engaged in the investment process and are inclined to select and manage other investment accounts without outside assistance. The strategic solution the Firm offers the *"Skilled Investor"* participant is a selection from various individual, low-cost, mutual fund options (both active and passive funds), representing a diverse array of investment styles, to construct their own portfolio. Brokerage windows may also serve as a supplemental option.
- *Strategies for the "Intermediate Investor" Participant* – Investment strategies designed for participants who are partially engaged, intermediate-skilled investors lacking the confidence of the skilled investor and possess limited interest in becoming more skilled who may be looking for simplified, easy investment solutions without having to regularly manage their investments. The strategic solution the Firm targets for the *"Intermediate Investor"* participant profile is a target-date series of funds that automatically manages the asset allocation a pre-determined allocation along the glide-path to retirement age and beyond.
- *Strategies for the "Novice Investor" Participant* – Participants that are not familiar with investment matters and are more inclined to want hands-on help in managing their investment affairs. The strategic solution the Firm targets for the *"Novice Investor"* participant profile is a third-party managed account service option that participants can individually subscribe to for a fee. There may be simplified "point-in-time" advice services also available for free through the third-party service provider. The *"Novice Investor"* may also find the target date series as a suitable option to meet their investment management needs.

## **C. Investment Strategies – Individual Clients**

### Goal-based Investment Strategies

PrimeTRUST develops tailored investment strategies designed to attain specific Client-stated goals. The focus of the management effort therefore is to construct and monitor a tailored investment strategy that enhances the Client's likelihood of achieving those stated goals. "Risk" then is re-directed to center upon a "probability of success" measure for attaining a Client's stated goals. The benchmark that matters to Clients is their probability of success. The measure of traditional investment performance data against relevant market indexes becomes a secondary consideration because such a measure is disconnected from the reality of whether a Client is "on-track" to reach his or her financial goals. The Firm's principal objective then becomes to develop an investment strategy that aligns with the Client's most important goals with the highest probability of a favorable outcome at the lowest expected amount of investment risk. The Firm's goal-based investment strategies require regular modifications to the portfolio structure over the years to reflect past portfolio results, changing time horizons, and relative funding progress that has been made.

### Risk-Based Investment Strategies

PrimeTRUST builds tailored investment strategies designed to align with a Client's stated risk profile. The Firm works with Clients to determine the appropriate asset allocation for a risk-based investment strategy to match the Client's risk profile. In developing a recommended asset allocation, the advice may consider the Client's risk exposure of other existing investments, accounts, and/or other assets to ensure proper fit within the Client's overall risk profile. Advice may include recommending investment in hybrid mutual funds including pre-constructed, professionally managed target-date funds or risk-based balanced funds composed of a blend of various equity, fixed income, and cash holdings. Advice may also include tailoring risk-based investment strategies utilizing allocations for asset classes among the equity, fixed income, inflation hedges, real assets, non-traditional assets that include hedge strategies along with liquid alternatives most commonly found in open ended mutual funds and exchange-traded funds. Additional strategic guidance may include specific investment style exposures. Such investment styles typically include growth/value, large-cap/small-cap, domestic/foreign securities exposures.

The mutual fund and exchange-traded funds selected for the Firm's investment strategies include equity, fixed income, asset allocation, and multi-managers. Investing in securities involves a risk of loss that Clients should be prepared to bear. Client accounts are subject to general market risk. The value of the securities held in Client accounts will increase or decrease in response to movements in the market in which they are invested.

## **D. Risk of Loss**

All investments involve some level of risk. Investing in securities involves risk of loss that Clients should be prepared to bear. PrimeTRUST will assist Clients in determining an appropriate strategy based on their goals and objectives, tolerance for risk, time horizon, and other factors unique to a Client's circumstances.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing Client account(s). Client participation in this process, including full and accurate disclosure of requested information, is essential for the assessment of a Client's situation. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation



to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

While the methods of analysis help the Advisor in formulating a potential investment strategy, it does not guarantee that the investments will increase in value. PrimeTRUST cannot offer any guarantees or promises that your financial goals and objectives will be met. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. Past performance is in no way an indication of future performance.

Following is a listing of some of the risks which may negatively impact the Client's ability to achieve their stated investment goals:

#### General Market Risks

The investment securities markets can move, up or down, on various news releases, or for no apparent logical reason at all. This often means that the price of specific securities could also move, up or down, without real reason and may take some time to recover any lost value. Simply, adding more securities to a portfolio does not necessarily help to mitigate this risk since all securities--generally being highly correlated--may likely be affected by market fluctuations.

#### Asset Allocation Risk

Asset allocation strategies are subject to the risk that PrimeTRUST's asset allocation decisions among various asset classes will fail to anticipate market trends. For example, investing too heavily in common stocks during a stock market decline may result in a failure to preserve more capital than a portfolio invested in a higher concentration of fixed income investments. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation may result in lower total returns than a portfolio with a higher allocation to stocks.

#### Dividend Risk

Certain investment strategies target companies that the Firm believes have potential for attractive dividends. Performance of such a strategy would be negatively impacted to the extent such companies reduce or stop paying dividends. Similarly, such strategies could also be negatively impacted by changes in tax laws that reduce incentives for companies to pay dividends.

#### Interest Rate Risk

Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as the demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer durations. Duration measures the price sensitivity of a fixed income security to changes in interest rates.

#### Risks Related to Investment Term and Liquidity

Investments do not follow a straight line up in value. All investments will have periods of time when the current price of the security is not an accurate measure of its intrinsic value. If a Client requires PrimeTRUST to liquidate their portfolio during one of these periods, such 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.

#### Concentration Risk

While PrimeTRUST generally selects broadly diversified mutual funds and exchange-traded funds for Client portfolios based on an individualized assessment of each fund, a Client's investment portfolio may be overly concentrated in a specific security or other investments for a variety of reasons such as restrictions on trading, contractual limitations on liquidity, market-related liquidity concerns, avoidance of triggering capital gains tax on highly appreciated securities, or emotional attachment to a specific security. As such, if a sudden and unexpected event occurs that negatively affects that specific security or other investments, the Client's investment portfolio may experience significant losses resulting in a failure to achieve financial goals.

#### 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.

#### Purchasing Power Risk

Purchasing power risk (inflation) is the risk that your investment's value will decline as the price of goods rises more rapidly than your investments. 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.

#### 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.

#### Currency Risk

When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your 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.

#### 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.

Past performance is not a guarantee of future returns. Clients are reminded to discuss these risks with the Advisor.

## **Item 9 Disciplinary Information**

PrimeTRUST Advisors, LLC has been registered with the United States Securities and Exchange Commission and providing investment advisory services to clients since 2006.

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. Our firm reports the disclosure event described below:

In 2015 PrimeTRUST Advisors was fined \$2,500 for failing to provide a timely "notice filing" to the Securities Commissioner of South Carolina disclosing the existence of a tax lien by one of the Firm's investment advisor representatives.

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

### **A. Licensed Insurance Agency**

PrimeTRUST is also licensed as an insurance agency. Therefore, Associated Persons providing investment advice on behalf of the Firm may be licensed as insurance agents. These persons may earn commission-based compensation if they sell Individual Clients any insurance products. Insurance commissions earned by these persons are separate from the Firm's advisory fees. See *Item 5 – Fees and Compensation* in this brochure for more information on the compensation received by insurance agents who are affiliated with the Firm.

### **B. Relationship with Other Investment Advisor**

PrimeTRUST maintains a relationship with Asset Strategy Retirement Plan Consultants ("ASRPC"), an unaffiliated investment advisory firm located in Camp Hill, PA. The relationship with ASRPC provides PrimeTRUST third-party access to Fidelity's Wealthscape custodial platform for servicing Individual Client accounts.

Under this arrangement, PrimeTRUST's advisory services are separate and distinct from the advisory services offered by ASRPC. ASRPC does not manage, nor provide any advisory services to any of PrimeTRUST's Individual Client accounts. PrimeTRUST is solely responsible for advising its Individual Clients in the Firm's segregated accounts on the Fidelity Wealthscape platform.

### **C. Recommendation of Other Advisers**

PrimeTRUST may recommend to its Institutional and Individual Clients the use of a third-party investment adviser for a portion of such Client's investment portfolio based upon the Client's goals and the appropriateness of the investment strategy employed by the third-party investment adviser.

PrimeTRUST will not receive separate compensation, directly or indirectly, from any third-party investment adviser for recommending the use their services. Moreover, PrimeTRUST does not have any other business relationships with the recommended third-party investment adviser. Refer to *Item 4 - Advisory Business* for additional disclosures on this topic.

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

### **A. PrimeTRUST's Code of Ethics**

PrimeTRUST has implemented a Code of Ethics (the "Code") that defines the Firm's fiduciary commitment to each Client. This Code applies to all persons associated with PrimeTRUST (the Firm's "Associated Persons").

The Code was developed to provide general ethical guidelines and specific instructions regarding the Firm's duties to you. PrimeTRUST and its Associated Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of PrimeTRUST Associated Persons to adhere not only to

the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. The Code is available to all Clients upon request. To request a copy of the Code, please contact the Firm at (864) 552-4020.

Additionally, the Firm maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with the Firm.

## **B. Participation or Interest in Client Transactions**

PrimeTRUST permits Associated Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. When trading for personal accounts, Associated Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by PrimeTRUST requiring reporting of personal securities trades by its Associated Persons for review by the Chief Compliance Officer ("CCO"). The Firm has also adopted written policies and procedures to detect the misuse of material, non-public information.

## **C. Personal Trading with Material Interest**

PrimeTRUST does not have a material interest in any securities traded in Client accounts. The Firm does not act as principal in any Client transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company.

# **Item 12 Brokerage Practices**

## **A. Recommendation of Custodian(s)**

PrimeTRUST does not have discretionary authority to select the custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize PrimeTRUST to direct trades to this Custodian as agreed in the investment advisory agreement. Further, PrimeTRUST does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis. PrimeTRUST does not participate in commission compensation arrangements with the Custodian.

PrimeTRUST may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the Custodian's offices.

While PrimeTRUST does not have the discretionary authority to select a custodian, the Firm will generally recommend that Individual Clients establish their account(s) at Fidelity Investments, a FINRA registered broker-dealer and member SIPC. Fidelity will serve as the Client's qualified custodian.

As noted in "Item 4 Advisory Business" Individual Client accounts are generally custodied on the Fidelity Wealthscape platform under an arrangement with Asset Strategy Retirement Plan Consultants ("ASRPC"). Under this arrangement, ASRPC and Fidelity have granted PrimeTRUST Advisors third-party access to the Wealthscape platform as authorized users for the Firm's Individual Clients by segregating accounts at the firm level between ASRPC and PrimeTRUST. PrimeTRUST is solely responsible for advising its Clients on the Wealthscape platform and for effecting the transactions therein.

## **B. Research and Other Soft Dollar Benefits**

Soft dollars are revenue programs offered by custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. PrimeTRUST does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian.

## **C. Brokerage for Client Referrals**

PrimeTRUST does not receive Client referrals from broker-dealers/custodians in exchange for cash or other compensation, such as brokerage services or research.

## **D. Directed Brokerage**

All Individual Clients (non-institutional) are serviced on a "directed brokerage basis", whereby PrimeTRUST will place trades within the established account(s) at the custodian designated by the Client. Further, all Client accounts are traded solely within their respective brokerage account(s). The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account(s)).

## **E. Aggregated Trading**

PrimeTRUST does not combine multiple orders for shares of the same securities purchased for advisory accounts the Firm manages (this practice is commonly referred to as "aggregated trading").

## **F. Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When PrimeTRUST purchases, or recommends the purchase of, mutual funds for a Client, the Advisor will select the share class that is deemed to be in the Client's best interest, taking into consideration the availability of advisory, institutional or retirement plan share classes, initial and ongoing share class costs, transaction costs (if any), tax implications, cost basis and other factors. The Advisor will also review the mutual funds held in accounts that come under the Firm's management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent or deferred sales charges.

# **Item 13 Review of Accounts**

## **A. Account Review - Institutional Clients**

PrimeTRUST Advisors will monitor Institutional Client accounts on a periodic basis and will standardly conduct quarterly account reviews (some Clients may opt for a semi-annual review) to ensure the advisory services provided to you are consistent with your current investment needs and objectives as stated within your Investment Policy Statement.

Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Legislative, judicial, regulatory or other such influences,
- Significant contributions and withdrawals,

- Plan Sponsor merger, acquisition, spin-off or significant layoff,
- Significant market moving events,
- Material investment manager departures,
- Changes in your risk/return objectives.

PrimeTRUST may provide Institutional Clients with supplemental materials or other regular written reports in conjunction with account reviews. Reports provided will contain research data to support any recommendations for change.

The Firm's role will be to make recommendations and to provide information to you. *PrimeTRUST does not have the authority to implement these recommendations* or cause you to act upon any recommendations made. Any decisions made on behalf of the Retirement Plan by the Plan Committee with respect to the selection of plan investments or plan administration will be made after the Plan Committee's own independent consideration of the recommendations provided by PrimeTRUST. Institutional Clients will receive trade confirmations and monthly or quarterly statements from your account custodian(s) to serve as evidence of the implementation of any such decisions.

## **B. Account Review - Individual Clients**

PrimeTRUST monitors its Individual Clients' accounts and financial plans on a periodic basis. The Firm conducts in-person account reviews at least annually, to ensure the advisory services provided to Individual Clients are consistent with their investment needs and financial planning objectives. Written updates to the financial plan will be provided in conjunction with the review. The Advisor may provide Clients with additional or regular written reports in conjunction with account reviews. The reports PrimeTRUST provide to Clients contain relevant account information including an inventory of account holdings and account performance. Separately, Individual Clients receive trade confirmations and monthly or quarterly statements from the account custodian(s).

Additional reviews may be conducted based request based upon material changes in circumstances, including, but not limited, to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among other changes to Client circumstances. Written updates to the financial plan resulting from such changes will be provided with the review.

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

PrimeTRUST does not engage paid solicitors for Client referrals.

## **Item 15 Custody**

All Clients must place their assets with a qualified Custodian. PrimeTRUST does not accept or maintain custody of any Client accounts, except for Client-authorized deduction of the Advisor's fees. PrimeTRUST will not have access to Client funds for payment of fees without Client consent in writing.

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.



We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

## **A. Additional Information for Individual Clients**

In establishing accounts for Individual Clients with the Custodian, PrimeTRUST restricts its Asset Movement Authorization ("AMA") for an account with Fidelity (or any other such similar custodian/trustee) to account transactions electronically transmitted to any third-party bank account that the Client has specifically authorized through written standing instructions and third-party check disbursements to any payee and address the Client has authorized through written standing instructions.

## **Item 16 Investment Discretion**

### **A. Institutional Clients**

Generally, PrimeTRUST does not exercise any discretionary authority with respect to the Retirement Plan or the management of the Retirement Plan's assets. The Firm's role will be to make recommendations and to provide information to the Institutional Client for their consideration when making investment decision on behalf of the Retirement Plan. Any decisions made on behalf of the Retirement Plan by the Plan Committee with respect to the selection of plan investments or plan administration will be made after the Plan Committee's own independent consideration of the recommendations provided by the Adviser. The Adviser will not have the authority to implement these recommendations or cause the Client to act upon any recommendations made.

In certain circumstances, PrimeTRUST will accept discretionary authority with respect to the management of the Retirement Plan's assets. However, such authority will not be effective unless agreed to in writing and acknowledged within the advisory services agreement which spells out the terms of such authorization.

### **B. Individual Clients**

PrimeTRUST generally has discretion over the selection and amount of securities to be bought or sold in Individual Client accounts without obtaining prior consent or approval from the Client. 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 PrimeTRUST. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by PrimeTRUST will be in accordance with each Client's investment objectives and goals.

If you enter into non-discretionary arrangements with PrimeTRUST, the Firm must obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by the Firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

PrimeTRUST does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. Clients retain the sole responsibility for proxy decisions and voting.

## **Item 18 Financial Information**

PrimeTRUST does not have any financial condition or impairment that would prevent the Firm from meeting its contractual commitments to Clients. Neither PrimeTRUST, nor any of its Associated persons, has been subject to a bankruptcy or financial compromise. PrimeTRUST is not required to deliver a financial statement along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

In June 2020, early in the Covid-19 pandemic, in an abundance of caution, the Firm obtained an SBA EIDL loan. The terms of the loan require that the Firm use the proceeds thereof solely as working capital to alleviate any economic injury caused by any disaster occurring as a result of the Covid-19 pandemic. This is not a forgivable loan and the Firm has not used any of the loan proceeds.

## **Item 19 Requirements for State-Registered Advisors**

Since PrimeTRUST is an SEC registered investment advisor, this section does not apply.

## **Item 20 Additional Information**

### **A. Your Privacy**

PrimeTRUST believes that protecting your private information as a top priority. Pursuant to applicable privacy requirements, the Firm has instituted policies and procedures to ensure that PrimeTRUST keeps your personal information private and secure.

PrimeTRUST does not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, the Firm may share some information with other supporting service providers, such as plan record-keepers and administrators, transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

PrimeTRUST restricts internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. The Firm maintains physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure the Firm's integrity and confidentiality. PrimeTRUST will not sell information about you or your accounts to anyone. PrimeTRUST does not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of the Firm's privacy notice prior to or at the time you sign an advisory agreement with PrimeTRUST. Thereafter, the Firm will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.



## **B. Trade Errors**

In the event a trading error occurs in your account, PrimeTRUST's policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

## **C. Class Action Lawsuits**

PrimeTRUST does not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor does the Firm initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## **D. IRA Rollover Considerations**

As part of the Firm's investment advisory services to you, the Advisor may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that the Firm will manage on your behalf. If you elect to roll the assets to an IRA that is subject to the Firm's management, PrimeTRUST will charge you an asset-based fee as set forth in the agreement you executed with the firm. This practice presents a conflict of interest because persons providing investment advice on the Firm's behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by the firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

- Leaving the funds in your employer's (former employer's) plan.
- Moving the funds to a new employer's retirement plan.
- Cashing out and taking a taxable distribution from the plan.
- Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change PrimeTRUST encourages you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for PrimeTRUST to manage here are a few points to consider before you do so:

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - Employer retirement plans generally have a more limited investment menu than IRAs.
  - Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than PrimeTRUST's fees.
  - If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - You should understand the various products and services you might take advantage of

at an IRA provider and the potential costs of those products and services.

- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
- Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
- You may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- Your plan may allow you to hire PrimeTRUST as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you.

Prior to proceeding, if you have questions contact your investment adviser representative, or call the main number as listed on the cover page of this brochure.