

*Item 1 - Cover Page*

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doing business as  
**CHICAGO INVESTMENT ADVISORY GROUP**

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This brochure provides information about the qualifications and business practices of Michael Russo, Ltd., doing business as Chicago Investment Advisory Group. If you have any questions about the contents of this brochure, please contact us at (708) 478-7190. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Chicago Investment Advisory Group (CRD No. 142810), including a copy of its Form ADV Part 1, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Chicago Investment Advisory Group is a registered investment advisor. Registration of an investment advisor does not imply any certain level of skill or training.

## ***Item 2 - Material Changes***

Chicago Investment Advisory Group's last annual update to this brochure was filed on March 8, 2023. This brochure contains the following material changes since the prior version:

- We have updated Item 12 to reflect that we now require that clients engage the custodial and trade execution services of Charles Schwab & Co., Inc. ("Schwab"), rather than TD Ameritrade, Inc. ("TDI"), and to provide additional disclosures/details regarding Schwab's services. Prior versions of this brochure stated that we had recommended TDI for these services. References to TDI throughout this Brochure were removed as Schwab acquired TDI in 2019 and the two firms combined operations in 2023.

We have made other changes throughout this Brochure for purposes of clarifying the nature of our services and fees and to enhance the overall readability and transparency of the disclosures contained herein. These changes are not material.

We will ensure that all current clients receive a Summary of Material Changes, if any, to this and subsequent brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for our firm is 142810. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested by contacting us at (708) 478-7190. Our brochure is provided free of charge.

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#### ***Item 4 - Advisory Business***

Our Firm. Chicago Investment Advisory Group (“CIAG”) is registered as an investment advisor with the SEC. Our firm has been providing discretionary investment advisory services to a wide variety of clients since June 2006. The firm is wholly-owned by Michael A. Russo and does not control any other firm.

The information contained in this brochure describes our investment advisory services, practices, and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our services to the needs of our clients. As used throughout this firm brochure, the words “we,” “our,” “firm,” “CIAG” and “us” refer to Chicago Investment Advisory Group, and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

Prior to forming an investment advisor-client relationship, we typically offer prospective clients a complimentary general consultation to discuss the nature of our services and the client’s financial status and objectives to determine the possibility of a potential advisory relationship. Investment advisory services and an advisor-client relationship begin only *after* the prospective client and CIAG formalize their relationship by their joint execution of a written Managed Account Program (“MAP”) advisory agreement. Details of our MAP program are below.

During our initial consultation we will typically interview you over the course of 30 to 120 minutes to learn the details of your investment experience and financial objectives, risk tolerance, and time horizon for investments. We will review your current financial circumstances, including the nature, amount, and location of your assets (including but not limited to any checking, savings, IRA, 401(k), brokerage accounts, life insurance policies, and real estate holdings) and liabilities, current life insurance values and benefits, and your current and expected income level. We will provide an initial evaluation of your current investments and asset allocation mix; discuss wills, trusts and estate planning and insurance matters generally; provide basic information regarding our investment processes and strategies, investment risks, mutual fund concepts, stocks, bonds, and certificates of deposit (“CDs”); and share with you our initial impressions and preliminary investment planning recommendations. We will also answer any questions you have related to your assets or our services at this time. If necessary, we will schedule a follow-up consultation following this initial meeting to further explore whether our offering of advisory services is a fit for your unique investment needs and circumstances.

Managed Account Program (“MAP”). We offer ongoing discretionary portfolio management services that are based on your individual financial goals, objectives, investment time horizon, and risk tolerance via our MAP program. Participation in our MAP program requires that you grant our firm discretionary authority to manage your designated investment account(s). Under this authority, we are permitted to buy and sell securities within your account without obtaining your specific consent for each trade. We always act as your fiduciary and only exercise our investment discretion in accordance with your specific financial objectives, needs, and limitations. In some instances, we may agree to exclude certain legacy holdings (“Legacy Assets”) contained in your investment accounts from our discretionary authority. These Legacy Assets will be specifically

identified in our written MAP advisory agreement, and we will not transact in them without your prior approval and instruction to do so.

Through periodic consultations with you, we will gather information regarding your financial circumstances, investment goals, and objectives. The information we typically request in this process will include your current and expected income level, current assets and liabilities, tax information, investment experience, and risk tolerance level, among other items. Based on our analysis of these factors, we will then recommend and implement an investment portfolio and asset mix intended to align with your unique financial situation and goals.

Following implementation of your initial investment portfolio, we will monitor the performance of your account on an ongoing basis and implement changes within your account as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances and goals. It is your ongoing responsibility to advise us promptly, in writing, of any material changes in your financial circumstances or needs.

We generally do not allow clients to impose restrictions on our ability to invest in specific securities or types of securities due to the level of difficulty this would entail in managing the client's account. However, we will make exceptions to this policy on a case-by-case basis, where your desired investment restrictions do not inhibit our ability to effectively administer and manage your account(s). If at any time you become uncomfortable with the chosen asset allocation or the specific investments held in your account, or if your financial situation or goals change, it is your responsibility to contact us promptly to make adjustments to your account(s).

As part of our rendering of MAP services, we may provide you with some or all of the following additional services:

*Portfolio Reviews and Net Worth Statement Updates:* We will review and consult with you regarding your overall asset allocation (i.e., cash, bonds, U.S. stocks, foreign stocks and the relative risks involved), including assets held away from CIAG. CIAG will typically produce a Morningstar (or similar) report of assets held with CIAG and outside CIAG for analysis of your unique allocation. We will update your net worth statement with current figures and produce a hard copy for your records.

*General Investment Consulting and Independent Research Services:* We will conduct research and due diligence in connection with prospective investments in specific securities and non-securities based investments identified by you. CIAG will independently research and evaluate such investments using industry periodicals, research services, other resources and software, and our network of industry contacts. Where appropriate data is available, we may perform fundamental and technical analysis on such investments and deliver our analysis to you.

*Financial Consulting:* We may provide general financial consulting services to MAP clients which, at the option of the client, may address some or all of the following topics: (1) financial, budgeting and cash management; (2) risk management, insurance planning, and analysis (3) financial planning relating to divorce and marriage (4) estate planning; (5) taxation issues and tax

planning: (6) retirement planning; (7) educational funding; (8) account monitoring; and (9) investment goal setting. Through consultation(s) with you, we will assist you in identifying areas of potential financial concern and provide you with a checklist or summary of short and/or long-term financial goals and actions designed to address such concerns. We will review and update these recommended actions with you periodically, at your request.

*Third Party Referrals:* CIAG seeks to simplify your financial life and will therefore, at your request, coordinate its advisory services with your trusted outside tax and legal advisors, mortgage specialists, and certified public accountants (“CPAs”). Where you do not already have a trusted advisor in one area, we may recommend a third party professional to you for services. We do not receive any compensation in connection with such referrals. CIAG is not a law firm or CPA and none of its advice should be construed as legal or tax advice.

Pension Consulting Services. We offer ongoing pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, and/or education services to plan participants regarding risk tolerance and investment choices.

Certain plans we may provide services to are regulated under the Employee Retirement Income Securities Act of 1974 (“ERISA”). We will provide pension consulting services to the plan sponsor and/or fiduciaries as described above for the fees set forth in Item 5 of this brochure. The consulting services we provide are advisory in nature and the ultimate decision to act on behalf of the Plan rests with the plan sponsor or other named fiduciary. In providing services to any plan and its underlying participants, our status is that of an investment advisor registered under the Investment Advisers Act of 1940. We are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) under ERISA, only. In all cases, our status as a fiduciary under ERISA is clearly disclosed in a written advisory agreement. If there is any discrepancy between the disclosures in this paragraph and the agreement, the agreement shall govern.

Types of Investments. Client accounts are typically constructed utilizing a diversified portfolio of securities consisting of some or all of the following: money markets, CDs, mutual funds, exchange traded funds (“ETFs”), including leveraged and inverse exchange-traded funds, closed-end funds, individual bonds, stocks and other listed securities. These securities may provide exposure to dividend paying companies, growth companies, international companies, U.S. treasuries, investment grade corporate bonds, high yield bonds, preferred securities, gold, natural resources, currencies and other investments. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship and with respect to certain insurance products.

Wrap Fee Programs. We do not offer, sponsor, or recommend any wrap fee programs to clients.

Assets Under Management. As of February 29, 2024, CIAG had assets of \$212,534,873 under discretionary management and \$0 under non-discretionary management.

### ***Item 5 - Fees and Compensation***

MAP and Pension Consulting Program Fees. We charge an annual asset-based management fee of 1.00% for participation in our MAP and Pension Consulting programs. Investment advice regarding any Legacy Assets specifically identified in our written MAP advisory agreement is provided on a complimentary basis, and shall not be subject to the foregoing fees, unless otherwise agreed in writing.

Our advisory fee is payable quarterly, in arrears, and is calculated on the basis of the market value of the investments held in your account, including any balances held in money market funds. The advisory fee for the initial calendar quarter of your participation is pro-rated for the number of days in the period during which services are provided. Fees in subsequent periods are based upon the market value of the account as of the last business day of the quarter. Notwithstanding the foregoing, we reserve the right to negotiate fees on per client basis. CIAG may amend its fee schedule upon thirty (30) days advance written notice to you.

Clients may make additions or request withdrawals from their account at any time. While we typically do not adjust our advisory fees on account of mid-period additions or withdrawals, we reserve the right in our sole discretion to make such adjustments on a per-client basis. Clients should note that some or all of the investments in their account may be intended as long-term investments and withdrawals of cash and premature liquidations of securities positions may impair the achievement of your investment objectives.

All security pricing is done by the custodian of your account. We will rely on this pricing in determining the fees attributable to your account(s). The custodian may use various pricing services such as Reuters and Standard & Poor's to price securities held in your account. For actively traded securities, these services use the actual last reported sale price. For less actively traded securities such as bonds, these services will use the appropriate valuation methodology to determine the value of the security.

Termination. MAP program and Pension Consulting engagements may be terminated on thirty (30) days' advance written notice from the terminating party to the non-terminating party, without penalty. In the event of termination, the client shall pay us a pro-rated fee based upon the number of days in the final billing period during which services were provided.

Direct Deduction of Our Advisory Fees. Pursuant to your consent contained in our written MAP advisory agreement and your account opening agreement with the custodian of your account(s), our advisory fees will be paid and deducted directly from your account(s) held at the custodian, typically within seven (7) business days following the close of the billing period. The custodian will directly debit our fees from your account upon its receipt of our fee invoices. If necessary, CIAG will liquidate money market shares held in your account(s) to pay our advisory fees, however, if money market shares or cash value are not available, other investments will be liquidated. Please note that unexpected or premature liquidation of investments to pay advisory fees may impair the performance of your account.

Monthly and Quarterly Reports. The custodian of your account(s) will send an account statement to you on a monthly basis identifying the amount of funds and each security in the account at the end of the reporting period and setting forth all transactions in the account during that period, including the amount of any advisory fees paid directly to us. Following the conclusion of each *quarterly* period, CIAG will separately provide you with a performance report summarizing your investment experience during the most recently completed period, including the advisory fees actually debited from your account during such period (typically reflecting our advisory fees charged in arrears for the immediately prior period) and the total advisory fees paid to us year-to-date. *We encourage you to carefully and promptly review the custodian's account statements and our quarterly performance reports upon receipt.* If you believe there is any issue with your account, you should contact us immediately at the phone number and e-mail address listed on the cover page of this brochure.

Additional Fees and Expenses. Advisory fees paid to CIAG cover the costs of CIAG's advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers or accountants and attorneys who may separately provide the client with accounting and legal advice. Commissions on transactions, custodial fees, and other account fees will also be separately charged to the client by brokerage firms in accordance with the fee schedules set forth in their separate account opening documentation. CIAG does not share in any part of the foregoing additional fees and costs. See Item 12, Brokerage Practices, for more information.

Clients should be aware that in addition to CIAG's advisory fees and the other additional costs outlined in the prior paragraph, the client will also bear a proportional share of the internal management fees and other costs (e.g., expense ratios) associated with investment in each mutual fund and/or ETF held in the client's account. These internal fees have already been deducted from the fund's reported performance and are built into the net asset value ("NAV") of the specific fund. CIAG does not receive any portion of these fees. In addition, clients should be aware that there are tax effects pertaining to fund share redemptions, and other sales, made by CIAG on the client's behalf. Redemptions and sales are taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

NOTE: All (or substantially all) of the investment products we recommend can be invested in or otherwise be accessed by the client directly, without the services of our firm, however, the client would not receive the services provided by us designed, among other things, to assist the client in determining which products and services are most appropriate to the client's financial condition and objectives. Additionally, comparable advisory services may be available from other sources at lower cost. Accordingly, you should review both our advisory fees and the separate costs and expenses described above to fully understand the total costs of our services.

Compensation for Sale of Insurance Products. Certain CIAG representatives are also licensed to offer insurance products. CIAG's insurance licensed representatives will receive customary commissions in connection with the sale of insurance products to clients. Clients are free to purchase insurance products through any provider of their choosing and are never obligated to purchase insurance products from CIAG's representatives. This compensation creates a conflict of



interest. Advisory fees are not reduced by the amount of sales compensation a CIAG representative receives in connection with the sale of any insurance product to a client. All insurance products are explained in detail and the decision to purchase is made at the client's sole discretion.

Rollover Recommendations. As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). 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 our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests 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 interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

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 a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide you with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (e.g., risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. You will make the final rollover decision.

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

CIAG does not charge any performance-based fees or participate in side-by-side management of accounts. All fees charged by CIAG are disclosed in Item 5 of this brochure.

CIAG and individuals associated with our firm may manage accounts which belong either to themselves, individually, or to their family or their affiliates (collectively, "Proprietary Accounts") while simultaneously managing client accounts. It is possible that orders for Proprietary Accounts may be entered in advance of or opposite to orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account is subject to our Code of Ethics and the duty of our firm and its personnel to exercise good faith and fairness in all matters affecting client accounts.

#### ***Item 7 - Types of Clients/Minimum Account Size***

CIAG makes its advisory services available to a wide variety of clients including, but not limited to, individuals, high net worth individuals, pension and profit sharing plans and their participants, trusts, estates, charitable organizations, corporations and other business entities.

CIAG does not require a minimum account size or charge any minimum fees for its advisory services.

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

CIAG's security *analysis methods* include, but are not limited to, charting (using charts to track individual security or market movements over time); fundamental analysis (evaluating securities based upon historical and projected financial performance); technical analysis (examining technical moves in the price of a security based upon peer securities or comparisons to an investment sector or index); and cyclical analysis (determining the desirability of a security based upon the status of the security within the price cycle the security or similar securities have followed historically). The use of fundamental and technical analysis in an effort to utilize market timing can lead to a large volume of short-term trades, particularly in volatile markets. Options trading may also lead to extraordinary losses caused by market moves in the underlying security or index.

We typically use the following *investment strategies* in managing client accounts:

Asset Allocation. Rather than focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, securities, fixed income, and cash) suitable to your unique investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Long-term Purchases. We may take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Short-term purchases. When utilizing this strategy, we may suggest the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. A trading program rather than an investment program may not be suitable for all clients. "Trading" refers to purchasing and selling securities on a short-term basis with the intention of

achieving quick profits. Trading is, by definition, a form of speculating as distinguished from investing.

A trading strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains. For these reasons, CIAG will use inverse and leveraged ETF trading strategies only in client accounts which CIAG believes will benefit from the strategy and which are capable of assuming more risk.

Use of Leveraged and/or Inverse ETFs. As indicated in Item 4 of this brochure, CIAG may purchase and sell in client accounts leveraged or inverse ETFs. ETFs are typically registered unit investment trusts (“UITs”) or open-end investment companies whose shares represent an interest in a portfolio of securities that track an underlying benchmark or index. However, some ETFs that invest in commodities, currencies, or commodity- or currency-based instruments are not registered as investment companies. Unlike traditional UITs or mutual funds, shares of ETFs typically trade throughout the day on an exchange at prices established by the market which vary throughout the trading day.

Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Inverse ETFs are “short” funds, meaning that they seek to deliver the opposite of the performance of the index or benchmark they track. Like traditional ETFs, some inverse ETFs track broad indices, some are sector-specific, and still others are linked to commodities or currencies. Inverse ETFs are often marketed as a way for investors to profit from, or at least hedge their exposure to, downward moving markets. Some funds are both short and leveraged, meaning that they seek to achieve a return that is a multiple of the inverse performance of the underlying index. An inverse ETF that tracks the S&P 500, for example, seeks to deliver the inverse of the performance of the S&P500, while a 2x leveraged inverse S&P 500 ETF seeks to deliver twice the opposite of that index’s performance. To accomplish their objectives, Leveraged or Inverse ETFs pursue a range of investment strategies through the use of swaps, futures contracts and other derivative instruments.

Most leveraged or inverse ETFs “reset” daily and are designed to achieve their stated objectives on a daily basis. **Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time.**

This effect can be magnified in volatile markets. Using a two-day example, if the index goes from 100 to close at 101 on the first day and back down to close at 100 on the next day, the two-day return of the inverse ETF will be different than if the index had moved up to a close at 110 the first day but then back down to close at 100 on the next day. In the first case with low volatility, the inverse ETF loses 0.02 percent; but in the more volatile scenario the inverse ETF loses 1.82 percent. The effects of mathematical compounding can grow significantly over time, leading to scenarios such as those noted above.

Additionally, sophisticated day traders attempt to time the market and buy in front of the inverse and leveraged ETF companies thus requiring the ETF companies to have to settle for a lower price than they would have otherwise received further compounding the time loss that is common on these types of products.

Some ETFs also do not invest directly in the underlying investment. For example, some oil and gas ETFs invest in futures in place of the physical assets therefore there is additional expense to the ETFs involved in buying new futures contracts every month.

Because some ETFs invest in a variety of investment instruments that are subject to different tax treatments ETFs can create unique tax consequences therefore it is important that investors work with their tax professionals. Also, some leveraged ETFs have substantial capital gains distributions at the end of the year.

Leveraged and Inverse ETFs are not designed to be held for long periods of time and therefore require considerable monitoring by CIAG.

Our Fiduciary Duty; No Guarantee of Results. As your fiduciary, we will use our best judgment and good faith efforts in rendering advisory services to you. CIAG does not guarantee the results of its investment advice. Significant losses can occur by investing in any security or by following any investment strategy, whether conservative or aggressive, including those strategies recommended by CIAG. We cannot and do not guarantee any level of account performance or that any account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the relevant client agreement and understand that investment decisions made for this account are subject to market, currency, economic, political and business risks.

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

Informational Risk. CIAG's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases. Our analysis methods rely in part on the assumption that the information reported in these and other publicly-available sources of information are providing true, accurate, and unbiased. While we attempt to remain alert to indications that data may be incorrect, there is always a risk that our analysis and recommendations may be compromised by inaccurate or misleading information.

Nothing in any client agreement or this brochure shall relieve us from any responsibility or liability we may have under state or federal statutes.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by CIAG with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to your instructions; or
- any act or omission of the custodian of your account(s).

**It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss any such changes.**

#### ***Item 9 - Disciplinary Information***

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item 9.

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

Neither CIAG, nor any of its associated persons, are registered or intend to become registered as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person or registered representative of any of the foregoing.

Principals of CIAG have common ownership interests in entities whose purpose is to own real estate and common ownership interest in real estate directly. Due to this common ownership interest, the principals giving investment advice to clients may have an incentive to favor those clients with common ownership over others. In all cases, however, it is CIAG's policy as a fiduciary to treat all clients equally.

Except as outlined in above in this Item 10 and in Item 5 with respect to the licensure of certain of our representatives as independent insurance agents, CIAG does not have any relationships, industry activities, affiliations or arrangements and does not collect any additional compensation, directly or indirectly, that create a material conflict of interest with its clients.

#### ***Item 11 - Code of Ethics; Participation or Interest in Client Transactions; Personal Trading***

Our Code of Ethics. We disclose to clients material conflicts of interest which could reasonably be expected to impair our rendering of unbiased and objective advice to clients.

CIAG has a Code of Ethics (“Code”) which all employees are required to follow. The Code outlines proper conduct related to all services provided to clients and will be made available to you, free of charge, upon request. Prompt reporting of internal violations is mandatory. CIAG’s Chief Compliance Officer and/or management personnel regularly evaluate employee performance to ensure compliance with our Code.

The goal of CIAG’s Code is to prevent and detect conflicts of interest between our advisory clients, our firm, and our staff. As part of achieving this objective, our “access persons” are required, among other things, to report to the firm their personal securities transactions on a quarterly basis and to report all of the securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at our firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities bought and sold for client accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

We will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Investments by CIAG and its Representatives in Securities Recommended to Clients. As described in Item 6 of this brochure, CIAG and its representatives may buy or sell securities for themselves that they also recommend to clients in Proprietary Accounts. Such Proprietary Accounts may make investments in the same securities we recommend and transact in for our clients. Additionally, it is possible that orders for securities for Proprietary Accounts may be entered in advance of or opposite of orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Accounts is subject to the duty of our firm and our personnel to exercise good faith and fairness in all matters affecting its clients’ accounts. Specifically, our Code is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory clients while at the same time, allowing employees to invest in their own accounts.

### ***Item 12 - Brokerage Practices***

Selection of Broker-Dealer Firms; Best Execution. Under our MAP program, you are required to grant CIAG the authority to determine the particular securities to be bought or sold, the amount of the securities to be bought or sold, and the timing of all transactions for your account. Your participation in our MAP services further requires that you engage the custodial and trade execution services of the broker-dealer firm(s) that we may recommend from time-to-time.

As of the date of this brochure, we recommend and require that MAP clients engage the custodial and trade execution services of Charles Schwab & Co., Inc. (“Schwab”), an independent SEC registered broker-dealer and Member FINRA/SIPC. Clients engage the recommended custodian (i.e., Schwab) by executing the custodian’s separate account opening documentation, and in doing so, authorize CIAG to direct the execution of transactions for the client’s account(s) through such custodian.

We are not affiliated with Schwab and they do not monitor or control the activities of our firm or its personnel. Schwab will act solely as a custodian and/or broker-dealer to your account and not as your investment advisor. They will hold your assets in a brokerage account or accounts in your name and buy and sell securities and execute other transactions for your account(s) when instructed to do so by you or CIAG. We do not have the discretion to determine the commission rates at which transactions are to be affected for your account and we may recommend that clients engage different custodians and executing brokers in the future.

In recommending broker-dealers to clients, we have an obligation to seek the “best execution” of transactions for client accounts. This duty requires us to seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer’s services. Some of the factors we may consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer’s execution and custodial capabilities, commission rates, financial responsibility, responsiveness and customer service, research services/ancillary brokerage services provided, and other factors that we consider relevant.

Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, we will continue to recommend that MAP clients engage Schwab until their services do not result, in our opinion, in best execution of client transactions.

Directed Brokerage. Clients should be aware of the fact that not all investment advisors require clients to use a particular brokerage firm. Because clients having accounts managed by CIAG are typically required to open accounts with and use the trade execution services of Schwab and its affiliates, CIAG may not be able to achieve the most favorable execution of specific client transactions. Thus, our exclusive use of Schwab may cost clients more money compared to other firms offering similar custodial and brokerage services.

Soft Dollars. The custodians we recommend may provide us with certain brokerage and research products and services that qualify as “brokerage or research services” under Section 28(e) of the Securities Exchange Act of 1934 (“Exchange Act”). This is commonly referred to as a “soft dollar” arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all of our client accounts, but brokerage charges paid by the client may be used to pay for research that is not used in managing that specific client’s account. Your account may pay to a broker-dealer a charge greater than another qualified broker-dealer might charge to affect the same transaction where we determine in



good faith that the charge is reasonable in relation to the value of the brokerage and research services received.

Benefits Received from Schwab. Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like CIAG. They provide us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available to CIAG various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a minimum value of assets with Schwab. Below 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 CIAG 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 their accounts.

*Services That May Not Directly Benefit Clients.* Schwab also makes available to CIAG other products and services that benefit us but may not directly benefit our clients. 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 provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution; provides pricing and other market data; facilitates payment of our advisory fees from our clients' accounts; and assists us 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 access to educational conferences and events; consulting on technology, compliance, legal, and business needs; access to publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of the above services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may discount or waive its fees for some or all of these services. The research and brokerage services provided to CIAG by Schwab qualify for the safe harbor exemption defined in Section 28(e) of the Exchange Act.

The aforementioned research and brokerage services are generally used by CIAG to manage accounts for which CIAG has investment discretion. Without these arrangements, CIAG might be compelled to purchase the same or similar services at its own expense. As part of our fiduciary duty to clients, CIAG endeavors at all times to put the interests of our clients first. Clients should

be aware, however, that the receipt of economic benefits by our firm and/or our related persons creates a conflict of interest and may indirectly influence our recommendation of Schwab to clients. CIAG examined this potential conflict of interest in choosing to recommend Schwab and has determined that the recommendation of Schwab is in the best interests of our clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Schwab does not make client brokerage commissions generated by client transactions available for our firm's use.

CIAG does not receive client referrals from Schwab in exchange for directing client transactions through Schwab.

Trade Aggregation. From time-to-time, we may aggregate the purchase or sale of securities for more than one client account (i.e., "block trading"). We will generally aggregate orders using Schwab's system for entering trades at the omnibus level. Our firm will allocate fills resulting from aggregate orders in accordance with its internal policy regarding the same. Generally, such policy requires us to allocate aggregate order fills among and between participating client accounts on a pro rata basis (i.e., to the extent each client account participated in the aggregate order).

### ***Item 13 - Review of Accounts and Reports***

Account Review Policy. MAP accounts are reviewed on at least an annual basis and we will periodically adjust and rebalance the account in accordance with selected investment strategies. More frequent reviews of accounts may be triggered by a change in your investment objectives; risk/return profile; tax considerations; contributions and/or withdrawals; large sales or purchases; security specific events; or changes in the economy more generally.

Account Statements and Reports. We will provide you with a portfolio performance evaluation on a *quarterly* basis. We will also provide additional written reports to you as you may reasonably request. You will receive a confirmation of each securities transaction effected in the account and will receive account statements on a *monthly* basis from Schwab. Clients are encouraged to compare the information on any account statement received from CIAG to that shown on Schwab's account statements and to contact us immediately using the contact information contained on the cover page of this brochure with any questions or concerns about their account.

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

CIAG does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for client referrals. Also, as indicated above, the firm does not direct brokerage transactions to any third party in return for client referrals.

### ***Item 15 - Custody***

Other than having the ability to deduct advisory fees from client accounts and our ability to disburse or transfer certain funds to third parties pursuant to Standing Letters of Authorization executed by our clients, CIAG does not have custody of client funds or securities and shall have

no liability to the client for any loss or other harm to any property in the account. This includes any harm to any property in the account resulting from the insolvency of Schwab (or any other custodian) or any acts of the agents or employees of the custodian, whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer.

Schwab will send an account statement to you on a *monthly* basis identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period, including the amount of any advisory fees paid directly to us. Following the conclusion of each reporting period, CIAG will provide you with a *quarterly* performance report summarizing your investment experience during the most recently completed period, including the advisory fees actually debited from your account during such period and the total advisory fees paid to us year-to-date. *We encourage you to carefully and promptly review Schwab’s account statements and our quarterly performance reports upon receipt.* Please see Item 5 of this brochure for additional details regarding our account reporting and direct fee deduction practices.

#### ***Item 16 - Investment Discretion***

Participation in our MAP program requires that you grant our firm discretion authority to manage your account. This arrangement authorizes CIAG to select the securities to buy and sell, the amount to buy and sell, and when to buy and sell securities for your account, without obtaining specific consent from you for each trade. Clients are advised that we may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Commissions and execution of securities transactions implemented through the custodian/broker dealer recommended by CIAG (i.e., Schwab) may not be better than the commissions or execution available if the client used another brokerage firm. However, CIAG believes that the overall level of services and support provided to the client by custodians and broker-dealers whom CIAG recommends outweighs the potentially lower costs that may be available from other brokerage service providers.

For pension plan clients, our role is purely advisory in nature, and the ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary. Without exception, each plan sponsor and/or fiduciary is free to seek independent third-party advice about the appropriateness of any of our recommendations.

When exercising discretion, CIAG may combine orders for more than one client’s account to form a “block” order for the purpose of seeking a better price and or execution. Please see Item 12 for more information regarding our trade aggregation (i.e. “block trading”) policy. When a block order is executed, Schwab typically allocates an average execution price to all shares in the block order, which CIAG then allocates to each client’s account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

In those instances where an order error occurs by CIAG, it is CIAG’s policy to reverse the order to make the client’s account whole.

***Item 17 - Voting Client Securities***

We do not vote proxies on behalf of clients. You will receive such notices from the custodian of your account (i.e., Schwab).

CIAG also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's account. However, it is available to answer questions regarding such notices. We are not law firm and our recommendations with respect to legal notices received should not be construed as legal advice. Clients should consult with their independent legal counsel in these matters.

***Item 18 - Financial Information***

CIAG does not require prepayment of fees of more than \$1,200 per client six months or more in advance, therefore disclosures required in this section do not apply to our firm.

CIAG has no financial commitment which would impair or impede its ability to meet contractual and fiduciary commitments to clients.

CIAG, nor anyone associated with our firm, has ever been the subject of a bankruptcy petition.