

Item 1: Cover Page



NEWPORT CAPITAL GROUP

**Form ADV Part 2A
("Brochure")**

12 Broad Street, 5th Floor
Red Bank, New Jersey 07701
732-741-8400
www.newportcapitalgroup.com

Michelle Bennett
Chief Compliance Officer

March 29, 2024

This Brochure provides information about the qualifications and business practices of Newport Capital Group, LLC ("Newport Capital Group" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (732) 741-8400 or mbennett@newportcapitalgroup.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 Newport Capital Group is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Newport Capital Group as a "registered investment adviser" or any reference to being "registered" do not imply a certain level of skill or training.

Item 2: Material Changes

Below is a summary of only the material changes since Newport Capital Group's last annual update to this Brochure filed on March 30, 2023.

Item 12: Brokerage Practices

- References to TD Ameritrade Institutional were updated due to the acquisition of this custodian by Charles Schwab.

Item 3: Table of Contents

Item 1:	Cover Page	1
Item 2:	Material Changes	2
Item 3:	Table of Contents	3
Item 4:	Advisory Business.....	4
Item 5:	Fees and Compensation.....	6
Item 6:	Performance-Based Fees and Side-by-Side Management.....	9
Item 7:	Types of Clients	9
Item 8:	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9:	Disciplinary Information.....	15
Item 10:	Other Financial Industry Activities and Affiliations	15
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12:	Brokerage Practices.....	16
Item 13:	Review of Accounts	17
Item 14:	Client Referrals and Other Compensation.....	18
Item 15:	Custody	18
Item 16:	Investment Discretion	19
Item 17:	Voting Client Securities	19
Item 18:	Financial Information.....	19

Item 4: Advisory Business

Newport Capital Group, LLC (“Newport Capital Group”, the “Firm” or “we”) is an independent, full-service investment advisory firm that provides investment advisory services to a wide range of clients, including individuals, high net worth individuals, pensions and other institutional investors. Domenic DiPiero is the of the Firm, which was formed in New Jersey in May 2004 and became registered as an investment adviser in January 2008. Newport Capital Group offers a variety of services that are tailored to each client.

Asset Management - Individuals

When Newport Capital Group is engaged to provide asset management services, it tailors its advisory services to the individual needs of the client. Specifically, Newport Capital Group reviews each client’s investment objectives, determines asset allocation guidelines, and then monitors each client’s accounts for the purpose of ensuring each is behaving as intended. Clients may at any time place reasonable restrictions on the types of investments the Firm places in the client’s portfolio, or on the allocations to each security type.

Asset management services are generally provided on a discretionary basis. Clients engaging the Firm on a discretionary basis will be asked to grant the Firm the discretionary authority over the client accounts and execute an Investment Management Agreement that outlines the responsibilities of both the client and Newport Capital Group. If any changes are needed to a client’s portfolio, Newport Capital Group makes the recommended changes, which may involve selling a security or group of investments and buying others or keeping the proceeds in cash. In limited circumstances, Newport Capital Group allows individual clients to engage the Firm on a non-discretionary basis. For non-discretionary clients, the portfolio is monitored as it is for discretionary clients but changes in the portfolio are not made until they are approved by the client. Clients that engage Newport Capital Group on a non-discretionary basis are advised that Newport Capital Group cannot effect any account transactions without obtaining prior verbal consent to any such transactions from the client. Thus, in the event of a market correction during which the client is unavailable, Newport Capital Group will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client’s verbal consent.

Newport Capital Group, as part of an overall client asset allocation strategy, recommends on a non-discretionary basis that certain clients consider investing a portion of their assets with independent third-party managers and in unaffiliated private funds. With respect to independent third-party managers, the client will be required to enter into a separate agreement with each independent manager that defines the terms in which the independent manager will provide services. With respect to private funds, clients typically complete subscription documents to purchase an interest in the private fund. In the past, Newport Capital Group recommended an affiliated private fund to certain clients, but this fund is closed to new investors and, except for making certain follow-on investments, is in the process of winding down.

Asset Management – Institutions

Newport Capital Group provides asset management services to institutional investors on either a discretionary or non-discretionary basis. Newport Capital Group understands that institutional investors have diverse missions which require unique approaches to investing. Newport Capital Group can assist in determining an institutional investor’s investment objectives, review assets and liabilities, create an appropriate investment policy statement and design an investment structure to follow. Once the assets are invested, Newport Capital Group makes investment recommendations to meet the objectives in accordance with the investment policy statement, and in doing so provides the institutional client with reporting and

analysis to help the client, and the individuals responsible for directing it, meet the objectives. Clients may at any time place reasonable restrictions on the types of investments the Firm places in the client's portfolio.

Pension Consulting

Newport Capital Group provides a broad range of discretionary and nondiscretionary services to employers sponsoring self-directed retirement plans, defined contribution plans, defined benefit plans, non-qualified plans or deferred compensation plans. While each engagement is specific to the client, and the services to be provided are designated by the plan sponsors or fiduciaries, Newport Capital Group remains ready to assist such clients with a variety of services. For example, Newport Capital Group works with these highly specific clients to create investment policy statements, which direct the investments in the plan, as well as education policy statements, which direct the methods by which plan participants are informed of the options available to them. In addition, Newport Capital Group assists plan sponsors and fiduciaries in meeting the requirements of such fiduciaries, which may include assistance with regulatory filings and education on fiduciary obligations. Newport Capital Group will also select and monitor the investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, the Firm will consult with management regarding plan structure, assist with employee education and communication, periodically review costs and fees and, upon request, provide services to individual employees, acting as an agent of the employer. In some circumstances, a client may request other consulting services related to the administration or management of the plan, such as a review of regulatory filings, an analysis of employee benefit plans in the case of mergers or acquisitions, or the valuation of benefit plans for employment contract cases.

Financial Planning and Consulting

Financial planning is the analysis of current financial circumstances and stated goals in order to create a plan for achieving those goals. Newport Capital Group provides financial planning services to certain asset management clients as part of their agreement with the Firm to provide such services. Other clients may engage Newport Capital Group to provide financial planning services on a stand-alone basis.

In most cases, the client will supply Newport Capital Group with information including income, investments, savings, insurance, age and many other items that are helpful to the Firm in assessing the client's financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, one of Newport Capital Group's licensed professionals will discuss with the client the financial needs and goals of the client and compare the client's current financial situation with the client's stated goals. Once these are compared, Newport Capital Group will create a financial plan to help meet the client's goals. The plan is intended to be a suggested blueprint to assist in meeting a client's objectives, which means that not every plan will be the same for every client.

Because the plan is based on information supplied by the client, it is very important that all clients accurately and completely communicate with the Firm. It is also very important that clients continually update the Firm of any changes in circumstances, as such changes may necessitate the alteration of the financial plan.

While multi-year projections and summaries may be appropriate in some cases, financial planning services are generally project-oriented, generated upon client request and therefore not continuous. For clients who engage Newport Capital Group solely for financial planning, agreements for financial planning services terminate upon the presentation of the financial plan and, therefore, any updates can be provided for a fee upon request.

Once clients have a financial plan, the client may or may not elect to implement the plan. If a client decides to implement the financial plan through Newport Capital Group, it is anticipated that the Firm will work closely with the client's accountants, attorney, insurance agent or other professionals. Newport Capital

Group will not communicate with any other professionals without the client's permission and, when in receipt of client information from one of these professionals, will not be responsible for independently verifying such information. Clients are reminded that Newport Capital Group is not a legal or accounting firm and no part of any financial plan should be construed as legal, accounting or tax advice.

In instances where a full plan is not desired or necessary (or has been completed in the past), clients may engage Newport Capital Group on a consulting basis to provide advice on a variety of business and financial topics, including estate planning, retirement planning or employer 401(k) plans. Clients receiving consulting services outside the scope of financial planning or asset management services are reminded that a full financial plan after full disclosure of pertinent facts is best, as limited facts out of context may produce a less desirable result.

As part of its financial planning or consulting services, Newport Capital Group may be requested by a client to recommend the services of other professionals for certain non-investment implementation purposes (e.g., attorneys, accountants, and insurance agents), including professionals affiliated with Newport Capital Group who are also licensed insurance agents, as discussed in Item 5 of the Brochure. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Newport Capital Group. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Newport Holdings, L.P.

Newport Capital Group, as part of an overall client asset allocation strategy, recommended on a non-discretionary basis that qualified clients invest a portion of their assets in Newport Holdings, L.P. ("Newport Holdings" or the "Fund"), an affiliated private fund. Newport Holdings LLC, the General Partner of Newport Holdings, is under common ownership with Newport Capital Group.

The investment program of Newport Holdings involves the identification and acquisition of privately held investments, which may include small companies or real estate. The terms and conditions for participation in Newport Holdings (which includes disclosures of fees, including fees payable to the General Partner, conflicts of interest, suitability requirements, risk factors, and liquidity constraints) are set forth in the Fund's offering documents, which were provided each prospective investor. Newport Holdings is currently closed to new investors and, except for making certain follow-on investments, is in the process of winding down.

Assets Under Management

As of December 31, 2023, Newport Capital Group had a total of \$319,874,657 in discretionary assets under management and \$6,924,200 in non-discretionary assets under management. As of December 31, 2023, Newport Capital Group also provided ongoing consulting services on assets owned by participant directed, defined benefit, and defined contribution retirement plans of approximately \$16,194,417,665.

Item 5: Fees and Compensation

Asset Management

All asset management clients will be required to enter into an Investment Management Agreement that will describe the type of management services to be provided and fees, among other items. Newport Capital Group's tiered annual investment advisory fee shall be based upon a percentage (%) of the market value

placed under Newport Capital Group's management. The schedule for new clients will be the greater of \$25,000 per annum, or:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$2,000,000	1.5%
Next \$3,000,000	1.0%
Next \$15,000,000	0.5%
Amounts over \$20,000,000	0.4%

Clients with smaller account balances who are charged the minimum annual fee may pay a significantly higher fee than the tiered percentage outlined above. Clients may receive similar services elsewhere at a higher or lower rate than that charged by Newport Capital Group. Newport Capital Group may negotiate fees at its discretion. This can result in similarly situated clients being subject to different advisory fee rates. Smaller accounts subject to the minimum annual fee pay fees that, based on a percentage of assets, may exceed 1.50%.

Clients may elect to have Newport Capital Group's advisory fees deducted from their custodial account or to be billed directly. Both Newport Capital Group's Investment Management Agreement and the custodial/clearing agreement authorize the custodian to debit the account for Newport Capital Group's investment advisory fee and directly remit that advisory fee to Newport Capital Group. In the limited circumstances in which Newport Capital Group bills the client directly, payment is due upon receipt of Newport Capital Group's invoice. Newport Capital Group shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets (including cash and cash equivalents) on the last business day of the previous quarter.

Pension Consulting

A negotiated payment schedule is developed for each pension consulting engagement. Pension consulting fees are on a fixed fee basis, with fixed fees ranging from \$1,000 to \$250,000, or based on a percentage of the assets in the plan, which generally ranges from 0.10% to 1.00% of the plan's assets. The fee is dependent upon the precise nature of the services to be provided, including the scope of the work to be provided, the size of the plan (i.e., number of participants and amount of assets) and the expertise required. On occasion, as much as 50% of the annualized fixed fee is required upon execution of the consulting agreement. Typically, the fee is paid quarterly, in advance. Clients are billed directly.

Financial Planning and Consulting

Newport Capital Group's financial planning and consulting fees are negotiable, but generally range from \$1,000 to \$25,000 on a fixed fee basis, and from \$200 (minimum) to \$2,000 per hour, on an hourly rate basis, depending upon the level and scope of the services required and the professionals rendering the services.

Hourly fees are charged as work is performed and are due upon receipt of invoice. For fixed fee engagements, ½ of the agreed upon fee is due at the time the agreement is signed and the other ½ is due upon delivery of the written plan. If the plan is not delivered within six (6) months of the date the agreement was signed, the client will receive a refund of the partial payment, and the entire payment is due upon delivery of the completed plan. Clients are billed directly.

Termination

All Investment Management Agreements, whether for asset management, pension consulting, or financial planning and consulting, may be terminated by written notice by the client, and any unearned fees will be returned to the client. However, clients should be advised that a large portion of work related to a pension consulting or financial planning and consulting engagement is done in the early stages and, accordingly,

the return of unearned fees may not correlate directly to the amount of time during which the engagement was active. Because asset management services are charged on a per-day basis, fees will be pro-rated according to the number of days in the billing period the client was a client and unearned fees remitted to the client. Newport Capital Group will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within thirty (30) days of termination may be “de-linked”, meaning they will no longer be visible to Newport Capital Group and will become a retail account with the custodian.

Newport Holdings

Newport Holdings does not pay advisory fees to Newport Capital Group. Rather, clients’ investments in the Fund are included in the market value of the clients’ account when calculating the advisory fee. Clients invested in Newport Holdings are, however, charged a performance-based fee (see Item 6 of this Brochure) which is payable to the General Partner. In addition, investors will bear their proportionate share of expenses borne by Newport Holdings, which may include offering costs, sales charges, organizational costs, transaction costs, due diligence expenses and other fees more specifically described in the Newport Holdings offering documents. Such performance fees and expenses are in addition to the advisory fees paid by clients to Newport Capital Group. Any investor in Newport Holdings should carefully review the Fund’s offering documents before investing.

Other Fees

Clients will incur other fees associated with holding and investing in securities. For example, clients will be responsible for brokerage and other transaction costs associated with the purchase or sale of a security. In addition, the managers of mutual funds, exchange trade funds (“ETF”) and private placements charge fees and expenses that are deducted from the value of the shares and are in addition to the advisory fee paid to Newport Capital Group. Further, where a client invests in a private placement that invests in other private funds (also known as a fund-of-funds), there may be multiple levels of fees and expenses within the private placement. For a complete discussion of fees and expenses related to each mutual fund, ETF or private placement, clients should read a copy of the prospectus or private placement memorandum issued by that fund, which Newport Capital Group can provide or direct clients to upon request.

As noted in Item 4, the Firm will recommend that certain clients invest a portion of their assets with independent third-party managers. The advisory fees paid to Newport Capital Group are in addition to the advisory fees and other expenses charged by the third-party managers recommended by the Firm. Please read Item 12 of this Brochure, where we discuss brokerage and other transaction costs.

Compensation for the Sale of Securities – NCG Securities LLC and Licensed Insurance Agents

Certain professionals of Newport Capital Group are, in their individual capacities, registered representatives of NCG Securities LLC (“NCG”), an SEC registered and FINRA member broker-dealer. Both NCG and Newport Capital Group are owned by Domenic DiPiero. NCG and its registered representatives earn transaction charges for recommending the purchase of certain private placements. In addition, although it is not typically the practice of Newport Capital Group to recommend variable annuities to clients, NCG and its registered representatives will receive customary transaction charges for the sale of such variable annuity products. The transaction charges described above may be higher or lower than those charged by other broker-dealers and will not offset advisory fees owed to Newport Capital Group. The receipt of transaction charges related to the recommendation of private placements and variable annuity products gives rise to a conflict of interest since the investment professional has an incentive to make such recommendations based on the compensation received by and through NCG, rather than the client’s needs. Newport Capital Group attempts to mitigate this conflict by requiring that: (i) any recommendations for which NCG receives a transaction charge are made on a non-discretionary basis; and (ii) all investment recommendations have a sound basis for the recommendation. In addition, this conflict is disclosed to the client verbally, as well as in this Brochure. Clients have the option to implement such recommendations through a broker-dealer or

registered representative that is not affiliated with Newport Capital Group or opt not to proceed with the recommendation altogether.

Newport Capital Group's Principal and certain Newport Capital Group professionals are, in their individual capacities, licensed insurance agents. As such, they conduct insurance product transactions for Newport Capital Group's clients and receive customary compensation for these transactions, which is in addition to the compensation received as employees of Newport Capital Group. Compensation from the sale of insurance products may be higher or lower than those earned by unaffiliated licensed insurance agents and will not be used to offset advisory fees owed to Newport Capital Group. Investment professionals have an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional compensation for the sale of insurance products is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage Newport Capital Group or utilize its professionals to implement any insurance recommendations. Newport Capital Group attempts to mitigate this conflict of interest by: (i) disclosing the conflict to clients; and (ii) informing clients that they are free to purchase insurance products through agents not affiliated with Newport Capital Group or to determine not to purchase a recommended insurance product. No client is under any obligation to purchase any products from any licensed insurance agent affiliated with Newport Capital Group.

Item 6: Performance-Based Fees and Side-by-Side Management

Newport Capital Group does not charge performance-based fees to its clients. However, Newport Holdings LLC, the General Partner of Newport Holdings, is entitled to receive carried interest calculated based on the profits generated from the sale/disposition of the Fund's assets. The fact that a significant portion of the General Partner's compensation is directly computed on the basis of profits generated by the sale/disposition of the Fund's assets creates an incentive for Newport Capital Group to make investments on behalf of Newport Holdings that are riskier or more speculative than would be the case in the absence of such compensation. The General Partner seeks to address this conflict through careful vetting of investment opportunities by its investment professionals.

Certain individuals associated with Newport Capital Group are also affiliated with and perform services for the General Partner. This presents a conflict of interest in that the same professionals are responsible for both Newport Holdings and clients with traditional non-performance fees, which creates an incentive for such persons to favor the client (in this case, Newport Holdings) which has a performance fee arrangement. Newport Capital Group attempts to mitigate this conflict by requiring that: (i) all investment recommendations to any client have a sound basis for the recommendation; and (ii) employees of Newport Capital Group understand and acknowledge their fiduciary responsibility toward each client.

Item 7: Types of Clients

Newport Capital Group's clients generally include individuals, high net worth individuals, pooled investment vehicles, pension and profit-sharing plans, defined benefit and defined contribution plans, business entities, trusts, estates and charitable organizations. Newport Capital Group generally requires a minimum asset level of \$2,000,000 for investment advisory services. However, Newport Capital Group, in its sole discretion, may reduce or waive its minimum asset requirement based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, and negotiations with client).

Clients should note that the performance of smaller accounts may be impacted to a greater extent, due to difficulties with diversification and risk controls potentially being compromised. In addition, the

performance of smaller accounts may vary from the performance of larger accounts since fluctuations in the market may affect smaller accounts more and the effects of compounding may be more beneficial in larger accounts.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

It is important for clients to know and remember that all investments carry risks.

Investing carries a risk of loss all clients should be prepared to bear.

Each client's portfolio will be invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain the client's objectives for each account, we develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different asset classes. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equities, 30-40% of the portfolio to be invested in fixed income and the rest in cash. Another client may have an asset allocation of 50-60% in bonds, and the remainder in equities. The percentages in each type that we recommend are based on the typical behavior of that asset class, individual mutual funds and ETFs we follow, current market conditions, the client's current financial situation and investment objectives, financial goals, and the timeline required to achieve those goals.

Because Newport Capital Group develops an investment strategy based on each client's personal situation and financial goals, one client's asset allocation guidelines may be similar to or different from another client's.

Once we design a client's asset allocation guidelines, we buy or sell securities in the client's portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe it necessary in the client's best interests.

The specific securities recommended for an account will depend on market conditions and our research at the time. Generally, we recommend that client accounts be invested in mutual funds and ETFs, which allow us to meet asset allocations that call for any mix of equities and bonds in a variety of geographic sectors, market capitalizations, or industries. A specific mutual fund or ETF is chosen based on where its investment objectives fit into the asset allocation recommended by Newport Capital Group, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the investment Newport Capital Group deems relevant. Newport Capital Group bases its conclusions on publicly available research, such as regulatory filings, press releases, purchased research, and proprietary metrics and analytics. Newport Capital Group also recommends the services of independent third-party managers and investments in private placements, as more fully described below.

We research securities on a fundamental basis, which means that we review what we believe to be the value of the security, and what we think it will be in the future. We base our conclusions on predominantly publicly available research, such as corporate filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also occasionally utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

As assets are transitioned from a client's prior adviser(s) to Newport Capital Group, there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly,

these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Newport Capital Group. However, this transition process may take some time to accomplish. Some investments may not be immediately unwound for a variety of reasons that may include low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. In the event an investment in a client account is unable to be unwound for a period of time, Newport Capital Group will monitor the investment as part of its services to the client. Newport Capital Group may suggest that a given investment be moved to a separate account.

For taxable accounts, Newport Capital Group engages in tax loss harvesting on a periodic basis. Tax loss harvesting is a strategy designed to help lower a client's taxes while maintaining the accepted risk profile and asset allocation of the client's portfolio. In tax loss harvesting, unrecognized investment losses are sold to offset taxes due on capital gains by selling a security at a loss and investing the proceeds in a security with closely correlated risk and return characteristics. Clients should consult with their personal tax advisor regarding the tax consequences of engaging in the tax-loss harvesting strategy, based on their particular circumstances.

Additionally, part of the Newport Capital Group process includes, where appropriate, involving multiple generations of family members in order to facilitate longer-term family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exists with the exchange of intergenerational information. Newport Capital Group attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

Third Party Managers and Private Placements

We may recommend that certain portions of a client's portfolio be managed by unaffiliated third-party managers or in a private placement managed by an affiliated or unaffiliated manager, typically when those managers demonstrate knowledge and expertise in a particular investment strategy.

Before making such a recommendation, we examine the experience, expertise, investment philosophies and past performance of the manager in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected. Clients are free to reject any recommendation to invest with any third-party manager individually, or by investing in a private placement managed by such third-party manager.

We regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client or is not managing the client's portfolio or the private placement in a manner consistent with the client's investment objectives, we will recommend that the client remove the assets from that selected money manager.

Pooled Investments

Each pooled investment vehicle will be managed according to the stated investment program in the fund's private placement memorandum. Individual partners in a fund will not receive individual asset management within the fund. For details regarding the investment program, client should refer to their fund's private placement memorandum.

Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.**

It is impossible to name all possible types of risks. However, examples of common investment risks are the following:

Political Risks. Most investments have a global component, even domestic stocks. Political events anywhere in the world have unforeseen consequences to markets around the world.

General Market Risks. Markets can, as a whole, go up or down based on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down for unforeseen or no reason and may take some time, if ever, to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

Currency Risk. When investing in another country's currency, the changes in the value or exchange rate of the currency can change the value of the security value in a client's portfolio.

Regulatory Risk. Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

Tax Risks Related to Short Term Trading: Clients should note that Newport Capital Group may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Newport Capital Group endeavors to invest client assets in a tax-efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.

Purchasing Power Risk. Purchasing power risk is the risk that the value of a client's investments will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

Business Risk. This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of an unsteady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

Financial Risk. The amount of debt or leverage determines the financial risk of a company.

Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to have a very minimal default risk.

Short Sales. “Short sales” are a way to implement a trade in a security Newport Capital Group feels is overvalued. In a “long” trade, the investor is hoping that the security increases in price. Thus, in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security minus the amount for which the security is sold. In a short sale, the investor is hoping that the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Therefore, with a short sale, the potential for loss is potentially unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Newport Capital Group considers engaging in short sales only when the client’s risk tolerance permits.

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.

Tax-Loss Harvesting Risk: Clients and their personal tax advisors are responsible for how the transactions in the client’s account are reported to the Internal Revenue Service or any other taxing authority. Newport Capital Group assumes no responsibility to clients for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy. Newport Capital Group’s tax-loss harvesting strategy is not intended as tax advice, and Newport Capital does not represent in any manner that the tax consequences described will be obtained or that Newport Capital Group’s investment strategy will result in any particular tax consequence. The performance of the new securities purchased for tax-loss harvesting purposes may have different expenses, returns, volatility and other characteristics relative to the securities that are sold for tax-loss harvesting purposes. The effectiveness of the tax-loss harvesting strategy to reduce tax liability will depend on the client’s entire tax and investment profile, including purchases and dispositions in accounts (e.g., client’s or client’s spouse’s) outside of Newport Capital Group and type of investments (e.g., taxable or nontaxable) or holding period (e.g., short-term or long-term). Newport Capital Group only monitors accounts managed by Newport Capital Group. Clients are responsible for monitoring their and their spouse’s accounts managed outside of Newport Capital Group to ensure that transactions in the same security or a substantially similar security do not create a “wash sale.” A wash sale is the sale at a loss and purchase of the same security or substantially similar security within 30 days of each other. If a wash sale transaction occurs, IRS may disallow or defer the loss for current tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule postpones losses on a sale if replacement shares are bought around the same time. Newport Capital Group may lack visibility to certain wash sales, should they occur as a result of external accounts, and therefore Newport Capital may not be able to determine whether a loss is successfully harvested and, if so, whether that loss is usable by the client in the most efficient manner.

Transition Risk. As assets are transitioned from a client’s prior adviser(s) to Newport Capital Group there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Newport Capital Group. However, this transition process may take some time to accomplish. Some investments may not be immediately unwound for a variety of reasons that may include low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client’s holdings into the recommendations of Newport Capital Group may adversely affect the client’s account values, as Newport Capital Group’s recommendations may not be able to be fully implemented.

Restriction Risk. Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

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

REITs: Newport Capital Group may recommend that significant portions of client portfolios be allocated to real estate investment trusts, otherwise known as “REITs”. A REIT is an entity, typically a trust or corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in REITs as compared to investing in real estate directly, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate situated in a given location. Such investment focus can be beneficial if the properties are successful but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT as well as other factors. Clients should ensure they understand the role of the REIT in their portfolio.

International Investing: Investing outside of the United States, especially in emerging markets, can have special or enhanced risks. The most obvious are political risk (changes in local politics can have a vast impact on the markets in that country as well as regulations affecting given issuers) and currency risk (changes in exchange rates between the US dollar and the local currency can materially affect the value of the security even if the underlying fundamentals and market price are stagnant). There are other risks, including enhanced liquidity risk, meaning that while domestic equities and mutual funds are generally easily liquidated (though there is a risk of loss due to the timing of the sale), equities in other jurisdictions may be subject to the circumstances of lower overall market volume and fewer companies on an emerging exchange. In addition, there may be less information and less transparency in a foreign market or from a foreign company. Foreign markets impose different rules than domestic markets, which may not be to an investor's advantage. Also, companies in foreign jurisdictions are generally able to avail themselves of local laws and venues, meaning that legal remedies for U.S. investors may not be as easily obtained as in the U.S.

Risks Specific to Private Placements: Private investment funds generally involve various risk factors, which are more fully described in a fund's governing documents. Any investor contemplating an investment in a private fund, including a private fund recommended by Newport Capital Group, should carefully and thoroughly review that private fund's governing documents prior to investing. Not all risks are presented here, but some include:

Liquidity Constraints: Unlike an exchange traded investment, where an order can be placed to purchase or sell and have it executed the same day, private funds typically restrict investors' ability to withdrawal capital. Some of these restrictions include lock-up periods for various time periods

where no withdrawals can be made, followed by withdrawal opportunities once a year, quarter or month, depending on the fund.

Lack of Transparency: Generally, private fund managers are under no obligation to provide complete transparency as to the underlying investments in or operations of the fund.

Valuation: Some private funds invest in easily valued securities, but others may invest in particularly illiquid and hard to value securities, such as private companies. The valuation of these investments can be somewhat subjective and based upon various calculations and assumptions of the fund manager, who has a conflict of interest in that most managers are compensated based on the value of the fund. Newport Holdings' investments will be valued by the General Partner and will generally be carried at cost until disposition.

Investment Objectives: Private placements are pooled investment vehicles. As such, the private placement is managed in accordance with the fund's investment program, which is defined in its governing documents (such as a private placement memorandum or offering memorandum). This means that the entire private placement is managed in accordance with the same guidelines, and not in accordance with the investment objectives of each specific investor. Accordingly, investors, especially clients of Newport Capital Group contemplating an investment with any fund recommended by Newport Capital Group, should carefully review the governing documents of that private placement to make sure they understand how the private placement fits into their overall portfolio.

Cybersecurity Risk: Although Newport Capital Group takes measures to decrease the risks associated with a cybersecurity event, the computer systems, networks and devices used by Newport Capital Group and its service providers potentially can be breached. A client and investor could be negatively impacted as a result of a cybersecurity breach. A cybersecurity breach could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information of clients and investors. A cybersecurity breach may also cause disruptions and impact business operations potentially resulting in a financial loss to a client or investor.

Item 9: Disciplinary Information

Newport Capital Group has not been the subject of any disciplinary action.

Item 10: Other Financial Industry Activities and Affiliations

As previously discussed, Newport Capital Group is under common control with NCG Securities LLC, and some investment professionals associated with Newport Capital Group are also registered representatives of NCG. In addition, Newport Capital Group's Principal and certain Newport Capital Group professionals are, in their individual capacities, licensed insurance agents. Please see Item 5 of this Brochure for a full description of these relationships and the material conflicts of interest they create.

In addition, Newport Holdings, LLC serves as the General Partner of Newport Holdings and is under common ownership with Newport Capital Group. Please see Item 6 of this Brochure for a full description of this relationship and the material conflicts of interest it creates.

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

Newport Capital Group maintains a policy addressing employee personal securities transactions. This policy is part of Newport Capital Group's overall Code of Ethics, which serves to establish a standard of business conduct and "best practices" for all of Newport Capital Group's professionals that is based upon fundamental principles of openness, integrity, honesty and trust. Newport Capital Group also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Newport Capital Group or any person associated with Newport Capital Group. A copy of our Code of Ethics is available to clients upon request.

Newport Capital Group historically recommended, on a non-discretionary basis, that clients invest in Newport Holdings. Because the General Partner of this fund is under common ownership with Newport Capital Group and is entitled to a performance-based fee, as described in Item 6 of this Brochure, Newport Capital Group and its professionals had an incentive to recommend that clients invest in Newport Holdings. Newport Capital Group has policies and procedures to ensure that all investment recommendations are appropriate given the investment objectives and financial condition of its clients.

Newport Capital Group and its professionals can hold for themselves the same securities (or related securities) that they also recommend to clients. In addition, Newport Capital Group and its professionals buy or sell securities for clients at or about the same time that they buy or sell securities for their own accounts. Such transactions create a conflict of interest. For example, this practice can provide an opportunity for professionals of Newport Capital Group to buy or sell the same securities before or after recommending the same securities to clients resulting in a Newport Capital professional profiting from the recommendations they provide to clients. Further, Newport Capital Group professionals trade in the same securities for their own accounts at or about the same time as clients can, and do at times, receive a better price than clients. To mitigate this conflict, Newport Capital Group has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each professional of Newport Capital Group who has access to client information. This policy requires that such professionals disclose their personal securities accounts to the Chief Compliance Officer so that they may be periodically reviewed. In addition, trades in certain security types must be pre-cleared by the Chief Compliance Officer.

Rollover Recommendations and ERISA Fiduciary Acknowledgement

When Newport Capital Group recommends a rollover to a new retirement account, it can generally expect to earn an ongoing advisory fee, from the new retirement account, but may or may not earn compensation if the assets remain in the existing retirement account. Newport Capital Group therefore has an inherent economic incentive to encourage clients to roll over plan assets into a retirement account that it will manage as the client's investment adviser.

When Newport Capital Group provides investment advice to clients regarding their retirement plan account or individual retirement account, it is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way Newport Capital Group makes money creates some conflicts with its clients' interests, so Newport Capital Group operates under a special rule that requires it to act in its clients' best interests and not put Newport Capital Group's interests ahead those of its clients.

Item 12: Brokerage Practices

Newport Capital Group recommends that asset management client accounts be held in custody by Charles Schwab & Co., Inc. ("Schwab"), an unaffiliated SEC-registered broker-dealer and FINRA member. Further, it is expected that most, if not all, transactions will be effected through Schwab. Not all investment advisers require their clients to use the brokerage and clearing services a specific firm and the commissions

and transaction fees charged by Schwab may be higher (or lower) than what other broker-dealers charge, and this practice could cost clients more money. Further, in using only Schwab, Newport Capital Group could be unable to achieve the most favorable execution of client transactions.

Newport Capital Group recommends Schwab to its asset management clients based on a variety of factors, such as costs. Schwab has what can be considered “discounted commission rates”, which means that its commission structure is generally lower than that of a full-service brokerage firm. However, in recommending Schwab, Newport Capital Group is primarily concerned with the value the client receives for the cost paid, not solely the cost. Other factors considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. In addition, Schwab has arrangements with many mutual funds that enable Newport Capital Group to purchase these mutual funds at reduced transaction charges (as opposed to other broker-dealers).

Newport Capital Group receives benefits from Schwab (provided without cost or at a discount) that are typically not available to Schwab’s retail clients and some of the products and services made available by Schwab benefit Newport Capital Group but do not benefit some or any of its client accounts. For example, these products or services assist Newport Capital Group in managing and administering client accounts, including accounts not maintained at Schwab, or are intended to help Newport Capital Group manage and further develop its business enterprise. These benefits can include the following products and services: receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Newport Capital Group; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on products or services provided to Newport Capital Group.

The benefits received by Newport Capital Group or its professionals from Schwab do not depend on the number or value of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, Newport Capital Group endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of such economic benefits creates a conflict of interest and may influence Newport Capital Group’s choice of Schwab for custody and brokerage services. Newport Capital Group re-evaluates the use of Schwab at least annually to determine if it is still the best value for clients.

Transactions for each client account are generally effected independently and Newport Capital Group does not combine or “batch” orders to obtain best execution, to negotiate more favorable commission rates or to allocate transactions to clients at average prices and transaction costs. Since Newport Capital Group does not combine transactions, clients could pay higher brokerage costs. In addition, since securities are not traded simultaneously, clients will transact in securities at different times, resulting in different transaction prices being received for each client.

Item 13: Review of Accounts

For asset management and financial planning clients, account reviews are conducted on at least an annual basis by the Senior Vice President of Financial Planning and/or Executive Vice President of Newport Capital Group. However, it is expected that market conditions, changes in a particular client’s account, or changes to a client’s circumstances will trigger reviews during the year. For pension consulting clients, these reviews are conducted by a team led by the Senior Vice President (Investment Strategy) and Senior Vice President (Investments).

In addition, Newport Capital Group professionals monitor client accounts on an ongoing basis to ensure each account is invested in accordance with its investment objectives. Any account that is out of balance will trigger a specific review. Reasons an account can be out of balance include positive or negative

performance (of the markets in general, a specific sector, or even a specific security), a withdrawal of cash or securities by a client, or changes in that client's investment guidelines. Not every account that is out of balance will be immediately adjusted. On occasion, the account may be left out of balance if Newport Capital Group believes the circumstances are temporary, or a rebalancing of an account would not be in the client's best interests.

Because changes in client circumstances can materially affect the management of a client's portfolio, clients are urged to communicate on a regular basis with Newport Capital Group, and to respond to the Firm's communication efforts.

All clients receive statements and trade confirmations directly from their account custodian and written quarterly reports from Newport Capital Group summarizing account activity and performance generated using third party software which receives data directly from the client's custodian. Newport Capital Group encourages clients to compare the information on reports prepared by Newport Capital Group to information on the statements provided directly from the custodian, and alert Newport Capital Group of any discrepancies, concerns or questions. These reports are an integral part of managing client assets, as they serve as a method to communicate with clients. Clients should carefully review all materials related to their portfolio, and if there is ever a strategy, allocation, or particular security about which the client has a question or concern, clients should immediately contact Newport Capital Group.

Item 14: Client Referrals and Other Compensation

As disclosed in Item 12, Newport Capital Group may receive economic benefits from Schwab typically not available to Schwab retail investors.

Newport Capital Group compensates TriStar Marketing Group, Inc. ("TriStar") for client referrals. While Tristar is not affiliated with Newport Capital Group, Tristar assists in presenting the investment advisory services offered by Newport Capital Group. TriStar is not a client of Newport and receives compensation, in the form of an hourly fee, for endorsing Newport. TriStar is incentivized to recommend Newport due to the compensation it receives for providing the endorsement.

Item 15: Custody

Newport Capital Group has custody of client accounts due to its authority to directly debit its advisory fee and limited ability to transfer client funds to third parties, pursuant to standing letters of authorization. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian. Newport Capital Group may also provide a written periodic report summarizing account activity and performance. To the extent that Newport Capital Group provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Newport Capital Group with the account statements received from the account custodian. The account custodian does not verify the accuracy of Newport Capital Group's advisory fee calculation.

The General Partner of Newport Holdings has custody of the assets of the Fund and is under common control with Newport Capital Group. Investors in Newport Holdings do not receive reports directly from the custodians.

Item 16: Investment Discretion

Prior to Newport Capital Group assuming discretionary authority over a client's account, the client shall be required to execute an agreement, naming Newport Capital Group as the client's attorney and agent in fact, and granting Newport Capital Group full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name contained within the discretionary account.

Clients who engage Newport Capital Group on a discretionary basis may, at any time, impose reasonable restrictions, in writing, on Newport Capital Group's discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, and limit or proscribe Newport Capital Group's use of margin).

Item 17: Voting Client Securities

Newport Capital Group does not vote client proxies, except for Newport Holdings (see below). Each client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian.

Clients may contact Newport Capital Group at (732) 741-8400 to discuss any questions they may have with respect to a particular solicitation.

Newport Holdings invests in privately owned companies and does not invest in any securities for which it would need to vote proxies. If this changes in the future, the General Partner will adopt policies and procedures to ensure that proxies are voted in what the General Partner determines is in the best interests of the client.

Item 18: Financial Information

Newport Capital Group does not solicit fees of more than \$1,200, per client, six months or more in advance and is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients. In addition, Newport Capital Group has not been the subject of a bankruptcy petition.