

## **FORM ADV PART 2A**

### **March 22, 2024**

#### **Item 1-Cover**

This brochure provides information about the qualifications and business practices of The Mather Group, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 888.537.1080 or by email at [tmgcompliance@themathergroup.com](mailto:tmgcompliance@themathergroup.com). 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.

The Mather Group, LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about The Mather Group, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2-Material Changes

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

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year end. We may further provide other ongoing disclosure information about material changes as necessary. Since our last annual updating amendment, dated March 22, 2023, the following reflects our most recent material changes:

1. TMG acquired the advisory firms listed below:
  - Clear Perspectives Financial Planning, LLC (effective May 31, 2023), a Cincinnati, OH-based fee-only advisory firm with approximately \$348M in assets under management.
2. Jennifer DeGrossier has been named Chief Executive Officer, replacing Jeffrey Pierce, effective March 13<sup>th</sup>, 2024.
3. TMG instituted a minimum annual advisory fee of \$10,000 to receive the services offered under the comprehensive service.

Our Brochure may be requested at any time by contacting our Chief Compliance Officer by email at [tmgcompliance@themathergroup.com](mailto:tmgcompliance@themathergroup.com), by phone at 888.537.1080, or on our website at [www.themathergroup.com](http://www.themathergroup.com).

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## Item 4-Advisory Business

### CORPORATE OVERVIEW

The Mather Group, LLC, (“TMG” or “firm” or “we”) is a Limited Liability Company (“LLC”) formed in the State of Delaware and is owned by Mather Holdings, LLC. The firm offers investment advisory services for a fee to clients. TMG was established in 2011 and is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). In March of 2022, the Vistria Group (“Vistria”), a Chicago-based middle market private equity firm, made a strategic investment in TMG through one of its affiliate private funds. TMG remains operationally independent, and Vistria does not have any role in TMG’s investment process related to the management of client assets.

### ASSETS UNDER MANAGEMENT

As of December 31, 2023, our regulatory assets under management are \$10,508,543,012. Of this total amount, we manage \$9,314,641,691 on a discretionary basis and \$1,193,901,321 on a non-discretionary basis. TMG has combined assets under management and assets under advisement of \$ 13,258,311,741. Some asset values may not be readily available at the most recent quarter end; therefore, the most recently obtained values were used for this calculation. The values may be higher or lower, depending on the current market conditions.

### SERVICES WE OFFER

TMG provides combined financial planning, investment management, tax and estate planning guidance, and family office services to primarily high net worth individuals. We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. In addition, we offer executive services to corporations seeking to have an advisory firm to partner with as a benefit for their employees.

### FINANCIAL PLANNING

TMG prepares and provides clients with comprehensive written financial documents designed to help them achieve their financial goals and investment objectives in accordance with their financial and risk objectives. The preparation of these documents requires the client to provide personal data such as budgeting, liabilities, tax records, family records, estate information, and other financial goals the client may have. The overall financial planning process may include any or all of the following, as appropriate and/or directed by the client; asset protection, tax planning, business succession, strategies for exercising employer issued stock options, cash flow, education planning, estate planning guidance, charitable gifting, long-term care, disability planning, retirement planning, insurance planning, tax preparation and risk management. TMG does not serve as an attorney or insurance agent, does not give legal advice, and no portion of our services should be construed as such. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys,



accountants, insurance agents or others). A client is under no obligation to accept such a recommendation.

## PORFOLIO MANAGEMENT

We offer both discretionary and non-discretionary portfolio management services. As a discretionary investment manager, we manage model portfolios using an array of equity and fixed income, utilizing an evidence-based approach, and manage accounts in accordance with our client's investment objectives, risk tolerance and other relevant information obtained at the beginning of the advisory relationship. We will then monitor the portfolio on an ongoing basis, and rebalance as required by changes in market conditions, and in the client's financial circumstances. For discretionary services, the client grants us permission to manage their account. This will allow us to make investment decisions without prior consent for each decision.

When all clients have assets managed in a similar manner, the investment adviser may no longer be an investment adviser, but may be operating as an investment company. TMG provides these services under the nonexclusive safe harbor from the definition of an investment company for programs that provide discretionary investment advisory services to clients under 17 CFR 270.3a-4.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. We will accept investment restrictions from clients if the restrictions do not hinder our ability to execute our investment strategies. We review accounts under our management on a regular basis, and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments and determine if their account needs to be reassigned to a model that aligns with their change in investment object and risk tolerance.

## FAMILY OFFICE SERVICES

TMG provides its investment advisory, financial planning, and family office services to high-net worth families, which consist of individuals, corporations, trusts, not for profit organizations, and other entities. The financial planning and family office services are bundled into the investment management advisory services and are not broken out separately as a service or for billing. Family Office Services are provided through the TMG Family Office ("TMGFO").

## eMONEY PLATFORM

TMG may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that TMG does not manage (the "Excluded Assets"). TMG does not provide investment management, monitoring, or implementation services for excluded assets, therefore, TMG shall not be responsible for the investment performance of the excluded assets,

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and the client maintains management authority for these assets. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not in any manner be construed as services, advice, or recommendations provided by TMG. The client may engage TMG to manage some or all of the excluded assets pursuant to the terms and conditions of comprehensive services outlined in the Investment Advisory Agreement (formerly known as Comprehensive Services Agreement) between TMG and the client.

#### **TAX PLANNING/PREPARATION**

TMG offers tax planning services. Our tax specialists will partner with our clients at the beginning of the year to create and implement a tax plan that seeks to provide minimal tax liability throughout the year. We also offer tax preparation services. Minimum account balances are required to receive these services. TMG may outsource certain tax preparation services to an unaffiliated Tax Preparation Services provider. In the instance that a client's tax preparation is outsourced, the Client will be asked to sign IRS Form 7216 allowing TMG to share the client's information to the unaffiliated Tax Preparation Services provider.

#### **ESTATE PLANNING**

TMG offers estate planning document preparation through a third-party provider and/or outside legal counsel ("outside counsel"). Since TMG does not provide legal advice, TMG refers the Client to outside counsel to provide estate legal advice to the Client. The Client may be required to enter into a separate agreement with outside counsel and may be charged an additional fee. Clients are never obligated to use these services. There is no affiliation between TMG and the third-party provider, nor does TMG receive any portion of the fee paid by the Client to outside counsel. Minimum account balances are required to receive these services.

#### **EXECUTIVE SERVICES**

TMG offers executive services to corporations and their executives. This platform assists companies in providing services that benefit both the employer and executive. The services are designed to help corporate leaders manage the significant tax compliance and financial complexities tied to their corporate compensation benefits.

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

Our general policy is to charge fees in accordance with the fee schedule(s) in effect at that time, however, all fees and minimums are subject to negotiation and based on various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall financial planning and/or consulting services to be rendered.

Fees will generally be automatically debited directly from your managed account; however, clients may also be invoiced directly for their fees or paid via ACH. Advisory fees to clients are annual fees, payable quarterly either in advance or in arrears depending on the terms of a client's agreement. When charged in advance or arrears, fees are calculated based on the total market

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value of each account (including cash, accrued interest, and dividends) on the last day of the prior quarter except as otherwise described in this section and/or agreed upon at the time of engagement. We prorate fees based on the length of time we manage an account in the event a client opened or terminated an account during the quarter. We refund any fees prepaid, but not yet earned or request prompt payment for any fees earned but not yet paid. When billed in advance, deposits made intra-quarter will be billed on a pro-rated basis from transfer date through end of current quarter. Distributions from billable accounts in amounts exceeding \$25,000 will be reimbursed pro rata for the period remaining in the billing quarter. Fee reimbursements will be used to offset the fees charged in the following billing quarter. Certain securities or positions may be excluded from billing.

TMG relies on independent third-party pricing services and custodians to calculate the value of client assets. For private placement investments, TMG relies on valuations provided by the fund company or sponsor directly, and these may lag for an extended period past the quarter end date. TMG will bill the private placement investment advisory fee at the asset's most recent value or cost (whichever the fund company or sponsor provides) each quarter.

The fee for any assets under management will generally range from 0.25% to 2.00%. Clients of firms that have been acquired by TMG as the result of a merger or acquisition may have different fee and billing schedules, based on the predecessor firm's schedules that were in place at the time the client entered into an advisory agreement with that firm. TMG continues to honor these arrangements for those legacy clients only.

In some cases, TMG aggregates fees by household. A householding group may be made up of related or unrelated persons, or a combination of both. The adviser reserves the right to determine the decision to household any accounts.

All clients are required to enter into an investment advisory agreement with TMG prior to the firm providing services. TMG generally has a minimum advisory fee of \$10,000 to receive TMG's comprehensive services, however, we reserve the right to waive this minimum on a case-by-case basis. TMG may waive its aggregate account minimum based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). This minimum is required throughout the course of the client's relationship with the firm. An account with assets under management below \$1,000,000 and charged the minimum advisory fee, the percentage the minimum advisory represents may exceed 2% fee ceiling disclosed above.

#### FINANCIAL PLANNING FEES

TMG's financial planning fees vary and are quoted on an individual basis as a retainer fee. The retainer fee may be waived when clients are charged for comprehensive services, therefore, the client will only pay one fee.

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## TAX PLANNING/PREPARATION

TMG offers tax planning and preparation services for clients qualifying for comprehensive services. The tax planning and preparation services fees are included in the asset-based fee described previously and reflected in the investment advisor agreement. TMG may also charge a fixed fee dependent on the size and scope of the tax preparation services provided. TMG, as mentioned in Item 4, may outsource some tax preparation services, and in those instances, TMG will compensate the outsourced service out of TMG's Advisory fee, and is not an additional fee to the client.

## FAMILY OFFICE SERVICES

TMG's family office fees vary and are quoted on an individual basis, based on the scope and complexity of the engagement. We may also charge a fixed fee basis or percentage of assets under management. The fee-paying arrangements for family office services are detailed in the family office services agreement.

## OTHER CHARGES AND FEES

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Clients invested in exchange traded funds ("ETFs"), mutual funds, alternative or private funds, and/or other separately managed accounts ("SMAs"), pay a management fee, administration fee and other expenses, in addition to TMG's advisory fees. Our model portfolios on average have an expense ratio of less than 0.10%. We also offer other models which have a higher expense ratio and ranges depending on the composition of the model and the securities incorporated. Costs have a direct correlation to how advisers serve clients. TMG is a fiduciary adviser, and as such, we are transparent on costs, and only make recommendations that are in the best interest of our clients, minimizing cost whenever possible.

TMG receives no compensation from any other advisers, fund managers or other third parties for investments it selects for client accounts. Neither TMG, nor any of its associates, receive compensation for the sale of securities. We are not a broker-dealer, and investment advisor representatives of TMG are not registered with a broker-dealer or with any other investment advisory firm.

TMG utilizes the services of a third-party sub-adviser(s) in certain instances, to provide investment management services for certain financial instruments. We believe that utilizing these services allows better diversification of a client's overall portfolio. When this service is utilized, the client will pay fees directly to the sub-adviser. TMG will be responsible for the assignment, oversight and monitoring of the sub-adviser.

TMG may be considered fiduciary to certain advisory clients that are employee benefit plans or individual retirement accounts ("IRAs") pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under





ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation.

TMG employees and their family members are eligible for discounted fee arrangements.

#### RETIREMENT PLAN/ROLLOVERS/CONFLICT OF INTEREST

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must give advice that is in the “best interest” of the retirement investor. This best interest standard has two chief components: prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care as specified in the text of exemption. Under the loyalty standard, the advice must be based on the interest of the clients, rather than the competing financial interest of the advisor or firm.

Under the DOL’s Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”) 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;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

As a result of a rollover, TMG and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to TMG (unless you engage us to monitor and/or manage the account while maintained at your employer). We have an economic incentive to encourage an investor to roll plan assets into an IRA that we will manage, or to engage TMG to monitor and/or manage the account while maintained at your employer. There are various factors that we may consider before recommending a rollover, including but not limited to, the investment options available in the plan versus the investment options available in an IRA, the fees and expenses in the plan versus the fees and expenses in an IRA, the services and responsiveness of the plan’s investment professionals versus TMG’s, protection of assets from creditors and legal judgments, the required minimum distributions and age considerations, and the employer stock tax consequences, if any. No client is under any obligation to rollover plan assets to an IRA managed by us or to engage us to monitor and/or manage the account while maintained at your employer. As a fiduciary, we



only recommend a rollover when we believe it is in your best interest.

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

TMG does not charge any performance-based fees or engage in the practice known as side-by-side management.

#### **Item 7-Types of Clients**

TMG offers investment advisory services to high-net-worth individuals, individuals, pension and profit-sharing plans, family offices, trusts and estates, corporations, and other business entities.

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

##### **METHODS OF ANALYSIS**

TMG's investment philosophy is grounded in an evidenced based approach that is backed by historical data and academic research. Our approach uses fundamental, quantitative, and systematic analysis that is repeatable while seeking to provide tax optimized returns on a risk-appropriate basis. Generally, we use seven risk-based asset allocation portfolios; Conservative, Conservative Plus, Moderately Conservative, Moderate, Moderate Plus, Growth, and Aggressive Growth.

While seeking to balance risk and returns, other examples of common investment objectives include maximizing after tax returns through the use of asset location, minimizing downside market risk, generating higher-yielding portfolios, creating tax efficient income, preserving capital, diversifying/minimizing the risk of concentrated positions, and liability management. Our Tax Synchronized Portfolio investment philosophy is grounded in the fundamentals of Modern Portfolio Theory, navigating the tax code, and is built upon academic evidence supporting efficient markets, the integral relationship between risk and return, and spending time in the market as opposed to timing the market. Our Tax Synchronized Portfolio's view a household's assets as one comprehensive portfolio that we try to structure in a manner to reduce tax-drag and create higher after-tax returns. Diversification in portfolios is spread across global stocks, bonds, or other investments deemed appropriate, to help minimize volatility or being exposed to persistent underperformance in a concentrated exposure. We believe humility in investing is important, and that nobody can predict the future. Global diversification across countries, sectors, or industries, is as important as diversification across asset classes and style factors. It is also important to rebalance across the exposures to control risk and avoid extremes. TMG may incorporate the strategic use of alternatives due to potential diversification benefits, depending on a client's goals or liquidity needs.



Elements of available customization include:

- Stock Index Sleeve strategies-seeking a higher dividend yield, downside protection, or other factors
- Direct Indexing-creating custom and tax efficient index exposures
- Individual Bond Ladders
- Liability Matching Bond ladders
- Environmental, Social and Governance (“ESG”) factor portfolios
- Concentrated Stock Management
- Option and Factor based strategies

We educate our clients on our investment philosophy, and an investment solution is customized to integrate with the client's specific tax and financial plans. Clients may utilize a combination of strategies. TMG customizes model portfolios internally, and uses primarily low-cost index funds

from providers such as Dimensional Fund Advisors (“DFA”), Vanguard, BlackRock iShares, Schwab, and others. TMG has no affiliations with any of these fund providers, other than using them in our customized models. TMG's Investment Committee monitors investments to ensure that they are an appropriate fit for clients.

Clients of firms that have been acquired by TMG as the result of a merger or acquisition may have different investment strategies, based on the predecessor firm’s models that were in place at the time the client entered into an advisory agreement with that firm. TMG continues to honor these arrangements for those legacy clients only.

## PRIVATE INVESTMENT FUNDS

TMG also provides investment advice regarding private investment funds (“private investment fund(s)”). TMG, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the fund’s offering documents. TMG’s role relative to private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of “assets under management” for purposes of Registrant calculating its investment advisory fee. TMG’s fee shall be in addition to the fund’s fees. TMG’s clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).



## SUITABILITY DETERMINATION

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Because of the above factors associated with a private fund investment, TMG must make a determination as to whether a specific private fund is appropriate for the client. In so doing, TMG shall consider the following factors:

- The type of offering-including risks, time horizon, and liquidity issues;
- The client's investment objective(s)-realizing that for certain clients, a private fund of any kind may not be suitable;
- The client's current portfolio allocation;
- The client's available cash to commit to the private fund;
- The private fund's investment minimum per investor; and
- The client's current allocation to private investment funds.

In the event that the amount of any private offering made available to TMG clients is limited, such that an allocation cannot be recommended to each identified client (per the above criteria), TMG will endeavor to make the recommendation to all identified clients until the available fund allocation is filled. Thereafter, in the event of a similar type of future offering, TMG will start the recommendation process with those previously identified clients for whom a recommendation was not made due to limited availability (assuming that they remain TMG clients, and the offering is determined to be suitable given the above criteria).

Barring mitigating circumstances (i.e., time constraints, minimum required investment, etc.), TMG employees, representatives and/or affiliated persons or entities shall not participate in any private offering until each identified client has been given an opportunity to consider making an investment in the specific fund (understanding that an unsuccessful attempt[s] to contact an identified client qualifies as having given the identified client an opportunity to consider making an investment in the specific fund).

## CASH BALANCE

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments.



## INVESTMENT COMMITTEE

Major strategic investment decisions are supported by the firm's Investment Committee (the "Committee"). The Committee meets as a group on a monthly basis and specific members may be consulted throughout the year based on their area of expertise. The strategic recommendations made by the Committee are not client specific but relate broadly to the firm's overall investment strategy. This enables the Committee to focus on generalized and impersonal investment decisions. Committee members not affiliated with TMG do not receive specific client information unless the client has authorized TMG to share the client's information with the Committee. Committee members not affiliated with the firm are compensated by TMG, and therefore indirectly compensated by client fees paid to TMG, however, TMG's use of an investment committee does not increase the overall fees charged to clients.

The Committee conducts various types of due diligence on investments that it selects for its model portfolios as well as approved private investments. Due diligence of recommended investments may include and not limited to: (a) conducting personal interviews with the

investment's portfolio managers; (b) reviewing performance records; (c) reviewing the investment's marketing and other materials; (d) reviewing the investment's organizational structure and decision-making processes; and (e) reviewing regulatory and other available documents. The analysis process includes both objective and subjective criteria. The type of due diligence conducted varies depending on the complexities of the investment. For example, the due diligence required for a separately managed account and private investment requires more in-depth review from an operational, compliance, and data security perspective than that of an ETF or Mutual Fund.

## RISK OF LOSS

Investing in securities and other financial instruments involves risk of loss that clients should be prepared to bear. Summarized below are certain important risks for clients and prospective clients to consider:

- *Securities of ETFs and other Investment Companies:* TMG recommends ETFs or securities of other investment companies, such open-end investment companies. These types of investments represent interests in professionally managed portfolios that can invest in any type of instruments. Investing in ETFs and other investment companies involves substantially the same risks as investing directly in the underlying securities, but it involves additional expenses at the investment company level, such as a proportionate share of portfolio management fees and operating expenses. Certain types of investment companies and ETFs are exposed to other risks: (1) ETF and investment company shares may trade above or below their net asset value; (2) an active trading market for ETFs and investment company shares may not develop or be maintained; or (3) trading of ETFs or investment company shares may be halted if the listing exchange's officials deem such action appropriate, the shares are

delisted from the exchange, or the activation of market-wide “circuit breakers: (which are tied to large decreases in stock prices) halts stock trading generally.

- *Risk Related to Funds Not Registered:* The client may invest in private funds that are not registered as investment companies under the Investment Company Act (“private funds”) and, therefore, the client will not have the benefit of various protections afforded by the Investment Company Act with respect to its investment in underlying funds. In addition, some underlying fund managers will not be registered as investment advisers under the Advisers Act in reliance on certain exceptions from registration under that Act. In such cases, underlying fund managers will not be subject to various disclosure requirements that would apply to registered advisers. As an investor in the underlying funds managed by fund managers that are not registered as investment advisers, the client will not have the benefit of certain protections of the Advisers Act. Private Funds may be illiquid or have limited liquidity for a long period of time.
- *Security Selection Risk:* The value of an individual security and, similarly, the value of an investment in that security, may rise or fall. TMG’s investment processes for a particular strategy may favor specific securities, industries or sectors that underperform investments in other securities, industries, sectors, or the market generally.
- *Inflation Risk:* When any type of inflation exists, a dollar next year will not be worth as much or buy as much as a dollar today. Purchasing power erodes at the rate of inflation.
- *Credit Risk:* The risk of loss caused by a counterparty's or debtor's failure to make a timely payment, or by the change in value of a financial instrument based upon changes in default risk.
- *Long Term Trading:* Long-term trading is designed to capture market rates of both return and risk. Long-term strategies can expose clients to various other types of risk which may surface at various intervals of investor ownership securities. These may include inflation risk, interest rate risk, economic risk, market risk or regulatory risk.
- *Short-Term Trading:* Risks include liquidity, economic stability, and inflation.
- *Short Sales:* Risks include the upward trend of the market and the infinite possibility of loss.
- *Margin Transactions:* Margin transactions use leverage that is borrowed from a brokerage firm as collateral.
- *Options Writing:* Option writing involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market.
- *Cryptocurrency:* For clients who want exposure to cryptocurrencies, including Bitcoin, the TMG, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated, and their price is determined by the supply and demand of their market. Currently a client must expressly authorize the purchase of the cryptocurrency investment. Please Note: Currently TMG does not



recommend or advocate the purchase of, or investment in, cryptocurrencies. TMG considers such an investment to be speculative. **Please Also Note:** Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

- *Risk of Return:* Past performance is not a guarantee of future returns. Investing in securities involves risks that may be out of the adviser's and client's control. There is no guarantee that a client will meet their investment objectives and goals.
  - *Management Risk:* Managed models are subject to management risk. TMG's portfolio managers apply investment techniques and risk analyses in making investment decisions, but there can be no guarantee that these techniques will produce the desired results. Additionally, the securities selected by TMG's portfolio managers may underperform the markets in general, the account's benchmark and other accounts with similar investment objectives. TMG is not able to control the investments or operations of the underlying funds. An underlying fund manager may employ investment strategies that differ from its past practices and are not fully disclosed to TMG, and that involve risks that are not anticipated by TMG.
- *Data Sources Risks:* TMG uses external software applications to analyze performance attribution and to assist in investment decision making or investment research. As a result, if information that TMG receives from a third-party data source is incorrect, TMG may not achieve the desired results. Although TMG has found the third-party data sources to be generally reliable, TMG typically receives these services "as is" and cannot guarantee that the data received from these sources is accurate.
- *Economic and Market Risk:* Companies and securities in which a client will invest may be sensitive to general downward swings in the overall economy or in their specific industries or geographies. Factors affecting economic conditions, including, for example, inflation rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military, and diplomatic events and trends and innumerable other factors, none of which will be in the control of TMG or the clients, can substantially and adversely affect the business and prospects of TMG. A major recession or adverse developments in the securities market might have an impact on some or all of a client's investments. In addition, where a client is invested in private equity, factors specific to a portfolio company may have an adverse effect on the underlying private equity funds' investment in such a company. TMG may rely upon an investment manager's or sub-adviser's projections concerning an underlying security's future performance in making investment decisions. Such projections are inherently subject to uncertainty and to certain factors beyond the control of TMG.
- *Technology and Cyber Security Risks:* TMG and our clients for whom we provide services depend heavily on telecommunication, information technology and other operational systems, whether TMG's or those of others (e.g., custodians, financial intermediaries, transfer agents and other parties to which TMG or they may outsource the provision of services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond TMG's or their control. Further, despite



implementation of a variety of risk management and security measures, TMG's information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity, and confidentiality of data assets. Technology failures or cybersecurity breaches, whether deliberate or unintentional, including those arising from the use of third-party service providers or client usage of systems to access accounts, as well as failures or breaches suffered by the issuers of securities in which TMG's strategies invest, could delay or disrupt our ability to do business and service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceedings and other claims, lead to a loss of clients and revenues or financial loss to our clients or otherwise adversely affect our business or the portfolios of clients and funds TMG manages.

- *Business Continuity and Pandemic Risk:* The impact of adverse events such as epidemics, pandemics, and natural disasters could greatly affect the economies of many nations including the United States, individual companies and the market(s). These events may cause extreme volatility and disruption in both U.S. and global markets impacting supply chains, currency, public/private systems, worldwide travel, and could be short term or may last for an extended period of time. Such events may result in a substantial economic downturn or recession. These adverse events may also impact the internal business operations of an Adviser's ability to operate effectively. TMG has developed a Business Continuity Plan ("BCP") that is designed to address and help minimize the impact of adverse events that may affect TMG's ability to carry on normal business operations.
- *Risks Related to Regulation:* Laws and regulations affecting our business change from time to time. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.
- *Risks Related to Conflicts of Interest:* Various conflicts of interest are discussed throughout this document. Please review this information carefully and contact us if you have any questions.

#### Item 9-Disciplinary Information

TMG is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TMG, or the integrity of our management. TMG reviews advisory personnel records on a periodic basis to ensure that no disciplinary events have been reported. TMG has no legal or disciplinary events in response to this item. TMG maintains ADV Part 2B for its advisors, which are provided to each client, and detail each individual team member's professional credentialing, and other pertinent information about the advisor.

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

We have no other financial industry activities and affiliations to disclose.

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

TMG maintains a Code of Ethics as required by applicable SEC rules and regulations. TMG's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, requiring employees to put client interests ahead of their own. The Code of Ethics incorporates our insider trading, personal trading, gifts and entertainment, charitable contributions, and outside business activity policies. Our Code of Ethics is available to any client upon request to the Compliance at TMG's principal place of business or by email at [tmgcompliance@themathergroup.com](mailto:tmgcompliance@themathergroup.com).

Our policy on insider trading includes a prohibition on the use of material non-public information. Associates are required to immediately report the receipt of potential non-public information to Compliance.

Associates may buy or sell securities for their own personal accounts identical to or different from those recommended to clients. It is TMG's policy that no associate supervised and employed by TMG shall prefer their own interests to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. Associates are required to report initial and annual holdings, and quarterly transactions to Compliance.

Cross-trade involving the personal accounts of an employee of the Adviser (or any other supervised person of the firm) and client accounts, are strictly prohibited.

We maintain restrictions on receiving and giving gifts and entertainment to and from clients and others that TMG does business with. This is in an effort to curb potential conflicts of interest this may create. We also monitor associates' outside business activities to review situations that would compete with the interests of TMG.

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

TMG places trades for its clients' accounts subject to its duty of best execution and other fiduciary duties. TMG utilizes and places trades with preferred custodian(s)/broker(s). We are able to negotiate lower commissions rates for client trades with these preferred custodian(s)/broker(s). TMG may use other broker-dealers to execute trades for client accounts, based on the clients' preference, but this practice may result in additional costs to clients. The execution quality may be different from other broker-dealers.

Obtaining best execution is an important component of each trade, and TMG seeks to use preferred custodian(s)/broker(s) who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. This may not always result in the lowest commission, cost, but the best overall qualitative execution. We consider factors such as execution capability, accuracy of execution, reputation, research, trading expertise, integrity, responsiveness, and financial stability. For fixed income securities, traders may use other approved service providers.



## DIRECTED BROKERAGE

For clients that wish to maintain certain brokerage relationships (i.e., directed brokerage), TMG does not negotiate commission rates, and clients may pay higher commissions than they otherwise would have if TMG had brokerage discretion over the account. Occasionally, clients with directed brokerage may not get the same investment options as clients of preferred brokers due to unavailability of the fund by the directed broker.

## AGGREGATION OF ORDERS

We perform investment management services for multiple clients. There are occasions in which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation. Partial execution of an aggregate trade order will be allocated on a pro-rata basis to all accounts in the aggregate trade.

## PRODUCTS AND SERVICES AVAILABLE TO US FROM PREFERRED CUSTODIANS/BROKERS

TMG's preferred custodian(s)/broker(s) provides TMG and our clients with access to institutional brokerage trading, custody, reporting, and related services, many of which are not typically available to retail customers. Our preferred custodian(s)/broker(s) also makes available various support services. Some of those services help TMG manage or administer clients' accounts; while others help manage and grow our business. Support services generally are available on an unsolicited basis, and at no charge to TMG as long as our clients collectively maintain a minimum amount of their assets in accounts at a preferred custodian/broker. If our clients, collectively, have less than that minimum amount, the preferred custodian(s)/broker(s) may charge TMG a quarterly service fee. The required minimum amount may give us an incentive to recommend that clients maintain accounts with these preferred custodian(s)/broker(s), based on our interest in receiving services that benefit our business rather than based on our clients' interest in receiving the best value in custody services, and the most favorable execution of client transactions. This could be considered a potential conflict of interest. TMG believes, however, that our selection of our preferred custodian(s)/broker(s) is in the best interests of our clients.

## SERVICES THAT BENEFIT CLIENTS

Preferred custodian(s)/broker(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 TMG's preferred custodian(s)/broker(s) include some services to which we might not otherwise have access or that would require a significantly higher

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minimum initial investment by our clients. The services described in this paragraph generally benefit our clients and the clients' accounts.

The preferred custodian(s)/broker(s) also makes available other products and services that benefit TMG but may not directly benefit our clients or our clients' accounts. These products and services assist TMG in managing and administering our clients' accounts. The preferred custodian(s)/broker(s) make available software and other technology that provide access to client account data (such as duplicate trade confirmations and account statements), facilitate trade execution and allocate aggregated trade orders for multiple client accounts, provide pricing and other market data, facilitate payment of our fees from our clients' accounts, educational conferences and events, consulting on technology, compliance, legal, and business needs, and publications and conferences on practice management and business succession. The preferred

custodian(s)/broker(s) may provide some of these services directly. In other cases, it will arrange for third-party vendors to provide the services to TMG. The preferred custodian(s)/broker(s) may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. The preferred custodian/brokers may also provide TMG with other benefits, such as occasional business entertainment of our personnel. Although the services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for services that are not used in managing that specific client's account.

#### SOFT-DOLLAR ARRANGEMENTS

As a matter of practice, TMG does not participate in soft dollar arrangements. We may receive products and services from broker-dealers that are available to all registered investment advisers. TMG does not request these services which are provided regardless of the commission rate or volume of business we direct to the broker-dealer. Therefore, it is our opinion that these services are not considered "soft dollars" based on the conditions.

#### ERISA CLIENTS

A retirement or Employee Retirement Income Security Act ("ERISA") plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

#### TRADE ERRORS

TMG has a regulatory and fiduciary obligation to ensure that clients are not disadvantaged by trade errors in any way. A trade error is an error in the placement, execution, or settlement of a

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client's trade. When a trade error occurs, we work with all relevant parties in the trading process to promptly correct the error and ensure that the client is not disadvantaged in any way. The correction of a trade error may generate a gain or loss. TMG does not benefit from gains in our error account in any way.

### CROSS TRADES

When appropriate, TMG may engage in cross-trade transactions for the benefit of our clients. A cross trade is generally defined as a buy and sell transaction of the same security between two or more client accounts managed by the Adviser. We expect to execute cross trades only when it is advantageous to our clients on both sides of the transaction, it is executed on a fair value basis, and the cross trades are approved by the firm's Chief Compliance (or designee). TMG will maintain records of all cross trades, and clients may request information on any cross trades involving their accounts. TMG will not enter into agency cross transactions as we are not a dual registrant and have no affiliated broker-dealers.

## Item 13-Review of Accounts

We review accounts consistently for our clients subscribing to our firm's comprehensive services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. The reviews also enable us to monitor the client's financial plan, and its progress towards stated financial goals. Our wealth advisors review client investment selection and tolerance annually, and this includes clients who are not part of a comprehensive services agreement. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, regulatory changes, the client's life events, and other requests by the client.

### Reporting

TMG may provide periodic reports to advisory clients, which may include important information about a client's financial situation, portfolio holdings, values, and transactions to advisory clients. TMG's unaffiliated third-party performance report provider reconciles the data daily from independent data sources such as the qualified custodians where clients' accounts are maintained. The firm may also provide performance information to clients about their performance, which may also include a reference to a relevant market index or benchmark. The custodian's report or statement of a client account is the official statement of a client's account, and is provided on a monthly, quarterly, and/or annual basis to the client. TMG urges all clients to carefully review their custodial statements to verify accuracy. Clients should contact their custodians if they have any questions regarding their custodial statements.

## Item 14-Client Referrals and Compensation

TMG compensates third parties (solicitors/promoters or independent contractors) when the referral results in a client relationship and in compliance with SEC Rule 206(4)-1. TMG pays solicitors/promoters or independent contractors a portion of the advisory fee collected. TMG typically treats independent contractors as supervised persons of the firm. As such, they will be required to report under the firm's Code of Ethics and give the required disclosure brochures to our clients. Third-party solicitors (as described below) are not treated as supervised persons.

### FIDELITY WEALTH ADVISOR SOLUTIONS PROGRAM

TMG participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program" ), through which TMG receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. TMG is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control TMG, and FPWA has no responsibility or oversight for TMG's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for TMG, and TMG pays referral fees to FPWA for each referral received based on TMG's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to TMG does not constitute a recommendation by FPWA of TMG's particular investment management services or strategies. More specifically, TMG pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, TMG has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by TMG and not the client.

To receive referrals from the WAS Program, TMG must meet certain minimum participation criteria, but Advisor has been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ( "FBS" ). As a result of its participation in the WAS Program, TMG has a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor could have an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to TMG as part of the WAS Program. Under an agreement with FPWA, TMG has agreed that the firm will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, TMG has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when TMG's fiduciary duties would so require, and TMG has agreed to pay





FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, TMG has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit TMG's duty to select brokers on the basis of best execution.

### Item 15-Custody

Custody has been defined by regulators as having access to or control over client funds and/or securities. It is not limited to physically holding client funds and securities, but also in cases where an adviser has the ability to access or control client funds and securities. Authorization to trade in client accounts is not deemed by the regulators to be custody. Client assets are held with qualified custodians. TMG does not maintain physical custody of client assets that we manage, although we are deemed to have custody of client assets because we have the authority to deduct management fees from client accounts. While we do not maintain physical custody, we are also deemed to have custody for client assets that we have acquired through mergers and acquisitions.

This inadvertent custody is due to bill paying services (or other third-party payment arrangements), maintaining log-in information, standing letters of authorization, or other arrangements in which regulators deem us to have custody. Because of these arrangements, TMG must act in accordance with regulation, and undergo an independent verification by examination, at least once per calendar year by an independent public accountant, pursuant to a written agreement between TMG and the accounting firm. This examination is at a time determined by the accounting firm, without prior notice or announcement to TMG ("Surprise Custody Audit").

As described in Item 5, Fees and Compensation section, TMG direct debits advisory fees from client accounts. As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from the client's account. Clients will receive an account statement from their custodian on at least a quarterly basis, reflecting the transactions made within the account during the reporting period.

**All clients are urged to carefully review their custodial statements to verify accuracy. Clients should contact their custodians if they have any questions regarding their custodial statements.**

### Item 16-Investment Discretion

TMG maintains discretionary investment authority for the assets that we manage. We also may provide investment advice to clients on a non-discretionary basis. We typically receive an executed investment advisory agreement from the client providing the authority to manage their account assets. Clients may outline certain limitations that are set forth in the agreement's investment guidelines. These limitations to investment guidelines may restrict our discretion, for example, with respect to the securities of a particular industry. We typically request clients

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provide changes to their investment guidelines to us in writing and confirm in writing any verbal changes provided by the client. We also may request certain documentation in addition to an executed investment advisory agreement as may be needed (for example, to verify a client's authority over the assets).

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

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent.

#### **Item 18-Financial Information**

TMG does not have any additional adverse financial conditions to disclose, and we have never been the subject of a bankruptcy petition. TMG does not serve as a custodian for client funds or securities. We do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement with this brochure.