



**Item 1 – Cover Page
FORM ADV PART 2A**

People Make the Difference, Inc.

**Doing business as
PMD Advisory**

2032 Shady Crest Drive
Vestavia Hills, AL 35216
205-986-0060
www.pmdadvisory.com

March 29, 2024

This brochure provides information about the qualifications and business practices of People Make the Difference, Inc. doing business under the name PMD Advisory (“PMD Advisory”). If you have any questions about the contents of this brochure, please contact Melanie S. Dickinson at 205-986-0060 or at mdickinson@pmdadvisory.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 PMD Advisory is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm’s information on this website by searching for PMD Advisory or our firm’s CRD number 159443.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, a reference to the date of the last annual update to this Brochure will be provided.

PMD Advisory was approved as an investment advisor registered with the SEC May 2023. The date of the last annual update of the brochure was March 29, 2023.

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 fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary. Additionally, we will further provide you with a new brochure as necessary based on a change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Melanie S. Dickinson at 205-986-0060 or at Mdickinson@pmdadvisory.com. Additional information about PMD Advisory is also available via the SEC's website www.adviserinfo.sec.gov. The website also provides information about any persons affiliated with PMD Advisory who are registered or are required to be registered, as investment adviser representatives of PMD Advisory.

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Item 4 – Advisory Business

People Make the Difference, Inc. doing business under the name PMD Advisory (“hereinafter “PMD Advisory” or “we”) is an investment adviser registered with the Securities and Exchange Commission. The investment adviser was previously registered with the State of Alabama since December 15, 2011 under the name Pryor McCormick, Inc. until August 2014. We are a corporation formed under the laws of the State of Alabama. April 2014 a company was created under the name People Make the Difference, Inc. The investment advisory business was transferred from Pryor McCormick, Inc. to People Make the Difference, Inc. doing business under the name PMD Advisory in August 2014. People Make the Difference, Inc. is owned by Melanie S. Dickinson. Details of her education and business background are provided in the supplement to this Disclosure Brochure.

General Description of Primary Advisory Services

Financial Planning & Consulting Services

PMD Advisory provides financial planning services, which includes preparing a written financial plan covering specific or multiple topics. Our full written financial plans can include, but are not limited to, the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, portfolio reviews, asset allocation and real estate planning. Under this program, the role of your investment adviser representative (hereinafter “representative”) as a financial planner is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and PMD Advisory. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that other important issues are not be taken into consideration when your representative develops his or her analysis and recommendations under a modular written financial plan.

PMD Advisory also provides consultations in order to discuss financial planning issues when you do not need a written financial plan. These consultations can cover any areas or topics of concern to you and can be a one-time event or involve multiple meetings.

To begin the financial planning process, our representatives meet with you to gather information and documentation needed to perform an analysis and review of your situation as well your objectives and goals. One or more meetings are required in order to gather all needed information and determine the services best suited to help meet your needs. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information you supply. Our services do not include legal or tax advice. You are urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

Limited Consultations

If you do not need a written financial plan, you may contract with us for limited consultation services. These consultations can cover any topics or areas of interest or concern to you and can be a single event or involve multiple meetings.

Advisement Consultations

We also offer advisement consultations to participants in retirement plans (e.g., 401(k) plans, profit sharing plans, etc.). When providing these services, we review your financial situation, goals and objectives as well as the investment options available in the retirement plan. Although we do not make judgments on the quality or value of the specific investment choices available to you, we do make recommendations regarding asset allocation and investment selections for the investment portfolio in the plan.

You have sole discretion whether or not to contract for advisement services available from us. In addition, you have sole discretion about whether or not to implement our recommendations or advice. We do not have trading authority over portfolios within your plans. You are responsible for executing transactions. We do not act as custodian for any assets in your plans. We do not provide management services for advisement accounts.

General Information

At your request, we will engage or consult with an outside professional (i.e., attorney, independent investment adviser or accountant) while providing financial planning and consulting services to you. You are responsible for payment of the outside professional's fees. In no event will the services of an outside professional be engaged without your express approval.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. If you want to implement any of our investment recommendations through PMD Advisory or retain PMD Advisory to actively monitor and manage your investments, you must execute a separate written agreement for our asset management services.

IRA Rollover Considerations

As part of our consulting and advisory services, we provide you with recommendations and advice concerning your employer retirement plan or other qualified retirement account. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as described above under Item 5. This practice presents a conflict of interest because persons providing investment advice on your behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

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

An employee will typically have four options:

1. Leave the funds in your employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and take a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

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

If you are considering rolling over your retirement funds to an IRA for us to manage it is important you understand the following:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.

- a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
 - c. It is likely you will not be charged a management fee and will not receive ongoing asset management services unless you elect to have such services. In the event your plan offers asset management or model management, there may be a fee associated with the services that is more or less than our asset management fee.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 73 (70 ½ before January 1, 2020).
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

401(K) Advisory and Retirement Plan Consulting Services

PMD Advisory offers retirement consulting, fiduciary, and participant services to employee retirement plans as defined by ERISA. The services are engaged by the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under ERISA.

PMD offers the following services:

- i. 401k Consulting Services
 - a. PMD Advisory consults with Plan Sponsor on plan objectives and design to improve employer and employee savings.
 - b. PMD Advisory performs an annual benchmarking analysis that assesses service providers, fees, expenses and investment performance in relation to its peers.
 - c. PMD Advisory provides a fiduciary governance system that establishes a prudent process for monitoring expenses and investment performance.
 - d. PMD Advisory creates an audit document lock box for organization of fiduciary files.
- ii. Plan Sponsor Fiduciary Services
 - a. PMD Advisory can serve as an ERISA 3(38) Investment Manager which includes the following services:
 - i. Develop and execute an Investment Policy Statement
 - ii. Select investment options consistent with ERISA section 404(c)

- iii. Select and monitor the investment lineup for the plan
 - iv. Determine a Qualified Default Investment Alternative (QDIA)
- b. PMD Advisory can serve as an ERISA 3(21) Non-Discretionary Investment Advisor which includes the following services:
 - i. Assist in the development of an Investment Policy Statement
 - ii. Assist with investment options consistent with ERISA section 404(c)
 - iii. Non-Discretionary recommendations for selection of investment line-up
 - iv. Non-Discretionary investment advice for selection of Qualified Default Investment Alternative (QDIA)
- iii. Participant Services
 - a. PMD Advisory can serve as a Non-Discretionary 3(21) Investment Advisor to provide participants with advice.
 - b. PMD Advisory can establish an adaptable service calendar and provide investment education services that focus on retirement readiness by spending time with employees.

The Company may also engage us to provide a review of executive benefits, for separate compensation.

PMD Advisory will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee-paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

PMD Advisory will not be required to verify the accuracy or consistency of any information received from the Company.

PMD Advisory and its supervised persons will serve in a nondiscretionary ERISA fiduciary capacity with respect to some but not all of the services that we provide, which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by PMD Advisory.

IRA Rollover Recommendations

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Seminars and Workshops

PMD Advisory occasionally provides seminars, webcasts and workshops in areas such as financial planning, retirement planning, and estate planning and charitable planning. Presentations are made on an impersonal basis and do not focus on the individual needs of the participants.

Third Party Money Manager Referral Services

PMD Advisory refers clients to third party money managers offering asset management and other investment advisory services. The third-party managers are responsible for continuously managing client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee (in the form of promoter fees) charged and collected by the third party money managers as further described below under Item 5.

Under this program, we assist you in identifying your risk tolerance and investment objectives. We recommend outside money managers in relation to your stated investment objectives and risk tolerance, and you may select a recommended third party money manager or model portfolio based upon your needs. You must enter into an

agreement directly with the third-party money manager who provides your designated account with asset management services.

Your PMD Advisory Representative is available to answer questions you may have regarding your account, and we act as the communication conduit between you and the third party money manager. The third party money managers take discretionary authority to determine the securities to be purchased and sold for you. We do not have any trading authority with respect to your designated account managed by the outside money manager.

Third party managed programs generally have account minimum requirements, and these minimum requirements vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity-based accounts. A complete description of the third party investment advisor's services, fee schedules and account minimums are disclosed in the third party investment advisor's Disclosure Brochure that is provided to you at the time you sign an agreement for services and establish an account.

Third Party Asset Management Programs

PMD Advisory offers clients access to third party management programs where PMD selects from various managers and select one or more managers or model managed accounts. Your PMD Advisory representative will select and design a management program based on your individual investment objectives and goals. PMD Advisory will act as a co-adviser and your representative will periodically meet with you and review your account. Your representative will determine any changes to the allocation or the individual asset managers and implement changes deemed appropriate.

PMD Advisory Asset Management Program

PMD Advisory provides asset management services involving continual and on-going supervision over your accounts based on your individual investment goals and objectives and risk tolerance. Unless otherwise expressly requested by you, PMD Advisory will manage the accounts and will make changes to the allocation as deemed appropriate by PMD Advisory. PMD Advisory will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. Discretionary authority will be granted by you to PMD Advisory by execution of the asset management agreement. If you elect to have your accounts managed on a non-discretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement.

The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. At no time does PMD Advisory have custody of your account, with the exception of deduction of PMD Advisory's advisory fee from your account if authorization is provided in the asset management agreement or some standing letters of authorization. The qualified account custodian maintains custody of your funds and securities. We do not act as custodian and will not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.

Account reallocations and rebalancing trigger a taxable event for non-qualified accounts.

The Account is managed by PMD Advisory based on your financial situation, investment objectives and risk tolerance. PMD Advisory offers investment models from which to select or a managed account can be customized to your individual needs.

Limits Advice to Certain Types of Investments

PMD Advisory primarily uses open-ended mutual funds and uses no-load and load waived or mutual funds purchased at net asset value (NAV) and exchange traded funds ("ETFs"). However, managed accounts are not exclusively limited to mutual funds and ETFs. PMD Advisory provides investment advice on the following types of investments:

- Mutual Funds
- Exchange-listed Securities

- Securities Traded Over-the-Counter
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- US Government Securities
- Options Contracts on Securities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that are suitable for your specific circumstances, needs, goals and objectives.

It is not PMD Advisory's typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles or special tax situations.

Please refer to **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

Tailor Advisory Services to Individual Needs of Clients

PMD Advisory's services are always provided based on your individual needs. You may impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

Client Assets Managed by PMD Advisory

As of our last fiscal year end, December 29, 2023, we had \$126,355,608 in assets under discretionary management and \$12,978,484 in assets under non-discretionary management.

Item 5 – Fees and Compensation

Financial Planning & Consulting Services

Written Plans

Fees for financial plans can be charged on either a fixed or hourly basis as requested by you. Fixed fees generally range from \$1,000 to \$15,000 while hourly fees are charged at a rate of \$200 to \$350 per hour. All fees are negotiable based on the actual services to be provided, the complexity of your situation and the representative providing the services. If services are provided on an hourly basis, our representative provides you with an estimate of the hours needed to complete the requested plan.

Half of the estimated cost of the plan will be due at the meeting and must be paid by check. If only one meeting the fee will be due at the meeting and must be paid by check. If there are multiple meetings, half of the estimated cost will be due at the time of the initial meeting. The remaining fee will be due at the final meeting. If more time is needed to complete the plan than the original estimate, our representative requests your permission prior to proceeding with any additional work. You are charged for the actual time expended on the plan. Both hourly and fixed fees are due upon presentation of the plan to you. At the discretion of our representative, we may also waive all financial planning fees; we consider the actual services requested, your history with or relationship to our, and possible future advisory services to be provided. The negotiated fee is disclosed to you prior to services being provided.

The decision to charge a fixed fee or an hourly fee will be discussed and agreed between you and your advisory representative.

Fees will be billed directly to you. Fees are due upon receipt of the billing statement. Once the financial plan is

presented, you continue to receive ongoing financial planning services at no additional charge for a one-year period. These ongoing services can include financial plan reviews and updates or consultations on any topic covered in the original financial plan.

Either of us can terminate services at any time by providing written notice to the other party. Termination is effective immediately upon receiving the notice. You are responsible for the time expended to the date of termination. If services are provided on a fixed fee basis, fees are calculated by multiplying the hours worked to date of termination by the rate of \$200 to \$350 per hour. If services are provided on an hourly basis, fees are calculated by multiplying the hours worked to date of termination by the hourly rate previously quoted. You receive a billing statement detailing the prorated balance due. If services are terminated after the plan is presented, no refund is made of previous fees paid and no additional fees are due since on-going services are provided free of charge.

Limited Consultations

Fees for consultations are charged on either a fixed fee or hourly basis as requested by you. There is a minimum fixed fee of \$300 while hourly fees are charged at a rate of \$200-\$350 per hour. All fees are negotiable based on the actual services to be provided, the complexity of your situation and the representative providing the services. If services are provided on an hourly basis, our representative provides you with an estimate of the hours needed to complete the requested plan. If more time is needed to complete the plan than the original estimate, our representative requests your permission prior to proceeding with any additional work. You are charged for the actual time expended on the plan. The negotiated fee is disclosed to you prior to services being provided. Both hourly and fixed fees are due upon completion of the consultations.

Fees for consultation will be required to be paid at consultation. If only one meeting the fee will be due at meeting and must be paid by check. If there are multiple meetings, half of the estimated cost will be due at time of initial meeting. The remaining fee will be due at final consultation.

Services automatically terminate upon completion of the consultations. Either of us can terminate services at any time by providing written notice to the other party. Termination is effective immediately upon receiving the notice. You are responsible for the time expended to the date of termination. If services are provided on a fixed fee basis, fees are calculated by multiplying the hours worked to date of termination by the rate of \$200-\$350 per hour with a minimum fee of \$300. If services are provided on an hourly basis, fees are calculated by multiplying the hours worked to the date of termination by the hourly rate previously quoted. You receive a billing statement detailing the prorated balance due. At our sole discretion, and based on the actual services provided to date, we may not charge any fees if only one or two consultations have been held at the time the termination notice is received.

Advisement Consultations

On-going services are billed a flat fixed annual fee not to exceed \$100,000 annually. The fee is negotiable and is quoted to the client prior to engagement of services. The fee will be determined based on several factors including services being provided, complexity of the client's situation, number of meetings and client's requests and needs.

Ongoing fees are billed at the end of each quarter. The fixed annual fee will be charged in equal installments on a quarterly basis in arrears.

One-time services automatically terminate upon completion. All services can be terminated by either party at any time by providing written notice to the other party. Termination is effective immediately upon receipt of the notice. You are responsible for the time we spend providing services until the effective date of termination. We send a billing statement detailing the prorated charges and the fee due from you. The annual flat fixed fee will be prorated for the quarter based on the number of days in the quarter up to the date of termination. Therefore, the client will be charged a prorated fee based on the number of days that advisement services were provided prior to the effective date of termination.

401(K) Advisory and Retirement Plan Consulting Services

Fees are billed quarterly in arrears based on the value of plan assets at the end of the just completed calendar quarter. Fees are prorated for partial calendar periods such as when services are initially established or ceased with PMD Advisory. Fees can be paid directly by the Plan or deducted from Plan assets. If Plan elects to have PMD Advisory's fees deducted from Plan Assets and paid directly to PMD Advisory, the record-keeper or third party administrator will calculate PMD Advisory's fee, deduct PMD Advisory's fees from Plan assets, and send PMD Advisory its advisory fee agreed upon in the Service Agreement. Plan will grant authority to PMD Advisory to instruct the record-keeper or third party administrator to deduct PMD Advisory's fees directly from Plan assets in the Service Agreement. A quarterly statement setting forth the fees deducted from the Plan (as well as identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period) shall be provided to the Plan by the Record-keeper.

A flat fee can be negotiated and agreed upon between PMD Advisory and the Plan. The fixed fee will not exceed \$100,000 annually. The flat fixed fee will be billed in equal installments in arrears on a calendar quarterly basis. The flat fixed fee will not exceed 2% of Plan assets.

Either party can terminate asset management services at any time by providing written notice to the other party. Termination is effective 30 days after receipt of notice. During that 30 day period, we complete any activities we are working on, but do not begin any new services without express instruction from you. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Thereafter, the Plan will be charged a prorated advisory fee up to the date of termination.

PMD Advisory does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If PMD Advisory receives any other compensation for such services, PMD Advisory will offset that compensation against its stated fees.

Seminars and Workshops

As stated above, presentations are made on an impersonal basis and do not focus on the individual needs of the participants. A PMD Advisory representative will determine if a fee will be charged for a seminar or workshop. The fee for these types of engagements will generally range from \$250-\$400 but can be negotiated.

Third Party Money Manager Referral Services

We receive a portion of the fee (a promoter/referral fee) charged and collected by the third-party investment advisor. The actual fee charged to you varies depending on the third-party investment advisor selected. You do not pay us directly for referring you to the third-party money manager. All fees are calculated and collected by the selected third party investment advisor and that investment advisor is responsible for paying us our portion of the total fee charged to you. Fees are disclosed to you in the promoter's disclosure statement that you receive and sign at the time the advisory relationship with the third-party money manager is established.

Additional charges include but are not limited to transaction fees, account maintenance and custodial fees and expenses, mutual fund sales loads, surrender charges and IRA and qualified retirement plan fees and 12(b)-1 fees. (The 12(b)-1 fees, named after a section of the *Investment Company Act of 1940*, are annual marketing or distribution fees and considered an operational or administrative expense. The fees are included as a part of a mutual fund's total expense ratio and paid from fund assets. Therefore, the fees come indirectly from your account.) Additionally, if a securities product is purchased through PMD Advisory representatives on a commission basis in their capacity as registered representatives of Cambridge Investment Research, Inc., commissions will be earned.

Pursuant to the terms of the client agreement between you and the third-party manager, advisory services can be terminated by any party by providing written notice to the other parties.

Our representatives have a conflict of interest by only offering those third-party investment advisors that have agreed to

pay us a portion of their advisory fee. There may be other third party managed programs that are suitable to you and that are more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

Third Party Asset Management Programs

There is a program fee, a fee to PMD Advisory, a fee to any third-party managers selected and depending on the program there are fees associated with trading and account maintenance. Clients will be provided a Disclosure Brochure on the program. The program Disclosure Brochure outlines the various levels of fees and costs. In addition, the program client agreement will outline fees.

PMD Advisory's fee for co-advisory services is based on a percentage of assets under management in the program. Fees are billed based on the program disclosure in the Disclosure Brochure. PMD Advisory's fees range from .50% to 2.00% annually. Fees are negotiable based on the complexity of your situation as well as the amount and composition of your account assets. There is a minimum fee of \$1,000 per year, although we may grant an exception to this minimum based on your history and relationship to the firm and other possible advisory services provided. Under no circumstances will the client be charged more than 2% annually based on assets under management as a result of the minimum fee. Fees are prorated for partial periods (i.e., accounts opened or closed during a calendar quarter).

Investnet Platform: Client will pay a fee not to exceed 2.00%. PMD Advisory will receive the remaining portion of the fee after all asset managers have been paid their portion of the fee. PMD Advisory's portion of the fee can fluctuate depending on the asset managers selected. Asset Managers have different fees. Therefore, depending on the asset managers' fees, PMD Advisory can receive a larger portion of the total fee. There is an incentive and a conflict of interest for PMD Advisory to select asset managers who charge a lower fee, thus resulting in PMD Advisory receiving a higher portion of the fee. PMD Advisory attempts to mitigate this conflict by providing clients with the costs associated with the program and the program disclosure brochure.

Depending on the third-party asset management program, fees can be billed directly to you or automatically deducted from an existing account. If fees are billed directly to you, they are due upon receipt of the billing statement. If fees can be automatically deducted from an existing account, you must provide the account custodian with written authorization to deduct the fees from the account and pay them to us. At no time does PMD Advisory or our representatives act as custodian for your account or have direct access to your funds or securities.

You may terminate PMD Advisory's services by providing written notice to the other party. Termination is effective 30 days after receipt of notice. During that 30 day period, we complete any activities we are working on but do not begin any new services without express instruction from you. If services are terminated within five business days of signing the client agreement, services are terminated without penalty.

PMD Advisory Asset Management Program

You can open a traditional account with us which means that in addition to our investment advisory fee, you also pay certain transaction charges for trade execution. These costs are set out in the brokerage account and application agreement with your selected custodian. The account custodian makes available certain mutual funds and exchange traded funds with no transaction fees. However, if such funds are not held for at least 90 to 180 days, depending on the fund, short term redemption fees will be charged to the client and not PMD Advisory. In a traditional account, mutual funds and exchange traded funds with no transaction fees can reduce the client's trading expenses.

We charge for management services based on a percentage of assets under management. Fees are billed quarterly in advance and calculated based on the fair market value of the account as of the last day of the previous quarter. Fees range from .50% to 2.00% annually and are negotiable based on the type of account, complexity of your situation as well as the amount and composition of your account assets. There is a minimum fee of \$1,000 per year, although we may grant an exception to this minimum based on your history and relationship to the firm and other possible advisory services provided. Under no circumstances will the client be charged more than 2% annually based on assets under

management as a result of the minimum fee.

Fees are determined based on each account size. Therefore, if you have multiple accounts you will pay a fee based on each account value. Consequently, depending on the account size, each account will be charged a different fee. However, your PMD Advisory representative may consider the household value of assets under management when determining and/or negotiating your fee.

Fees are prorated for partial periods (i.e. accounts opened or closed during a calendar quarter). Fee adjustments are made for inflows (i.e. deposits) into the account or outflows (withdrawals) from the account.

The traditional accounts may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a managed Program account.

Fees can be billed directly to you or automatically deducted from an existing account. If fees are billed directly to you, they are due upon receipt of the billing statement. If you elect to have fees automatically deducted from an existing account, you must provide us and the account custodian with written authorization to deduct the fees from the account and pay them to us. PMD Advisory will provide you with fee notification that outlines the value of the account used to calculate our fee, the fee being charged and the amount of fees that will be deducted from your account.

The exact services and fees are stated in the agreement for services and disclosed to you prior to services being provided. If an agreement for services is executed mid-period, the initial fee is prorated based on the number of days services were provided during the first billing quarter.

Either party can terminate asset management services at any time by providing written notice to the other party. Termination is effective 30 days after receipt of notice. During that 30 day period, we finish up any activities we are working on but do not begin any new services without express instruction from you. If services are terminated within five business days of signing the client agreement, services are terminated without penalty.

Additional Information Regarding Fees

Commission and Fee Offset

In addition to providing advisory services, our representatives are also registered representatives and insurance agents. Therefore, they will earn fees when providing advisory services and commissions when selling securities and/or insurance products. See **Additional Compensation**, below. You may select any broker/dealer or insurance agent you wish to implement any financial planning and/or consultation transactions recommended by our representatives. If you elect to have our representatives implement the transactions, they may waive or reduce the amount of the advisory fee by the amount of the commissions received. Any reduction is at their discretion but does not exceed 100% of the commission received.

You may also elect to implement our financial planning and/or consultation advice through another advisory program disclosed in this Disclosure Brochure. In this case, our representatives may waive or reduce the amount of the advisory fee charged for the planning services as a result of earning additional ongoing fees for asset management or other advisory services. Any reduction is at your advisory representative's discretion and is disclosed to you prior to implementing any transactions or contracting for additional services.

Additional Management Expenses

The qualified custodian selected by you will charge a separate fee for maintaining custody of your managed accounts. Additionally, there will be costs and expenses for services provided by the broker/dealer and/or account custodian such

as wire fees, in activity fees, transfer fees, reporting fees, express delivery fees for funds or securities express delivered, trading away fees. Further, clients participating in a managed account will be charged brokerage commissions and/or transaction ticket fees directly to you. PMD Advisory does not receive any portion of such commissions or fees from you or the qualified custodian.

In addition, you will incur certain charges imposed by third parties other than PMD Advisory in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account.

Additionally, you will pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with PMD Advisory and are compensation to the fund-manager.

Registered investment company securities such as mutual funds, and variable products offer the securities in various share classes. Different share classes are priced differently and have varying levels of internal costs and share classes other than institutional share classes will involve higher internal costs that over time will cost you more. Institutional share classes often have higher trading costs. A client needs to consider the amount being invested and the length of anticipated holding to make a decision as to the share class most suitable to the client. Please read the disclosures under Item 10 below for important information about the advice and recommendations offered by advisory representatives and registered representatives. Representatives will select the lowest share class funds available and appropriate to the situation. However, in selecting the lowest share class, trading costs are sometimes higher. Selecting the lowest share class appropriate to the situation does not imply the lowest cost share class but means what the Representative deems lowest cost for the situation. Representatives consider the anticipated holding period, cost structure, and administrative and transaction costs associated with selecting a share class. However, there is no way to predict the future and there could be occasions where a holding is liquidated sooner or held longer resulting in higher costs to the client. Additional information about share classes can be found in an Investor Alert issued by the Securities and Exchange Commission at <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes> and <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes>. Additionally, the SEC and FINRA provides investor information at www.sec.gov and www.finra.org.

Variable annuity products have additional costs to the client including surrender fees if the purchase of the product results from the transfer from another variable product, costs associated with living or death benefits, administrative fees, sub-account management fees, mortality and expense fee, and bonus expenses if the product has a bonus element. All variable annuities have surrender fees if the annuity is transferred or liquidated within the surrender period. Additionally, variable products often have limitations on the number of transactions that can be conducted among the subaccounts which could result in additional expenses. It is vital clients read and refer to the variable annuity prospectus for details on the costs of the product.

Management fees charged by PMD Advisory are separate and distinct from the above fees and expenses charged by investment companies and variable annuity companies that are recommended to you. A description of these fees and expenses is available in the prospectus.

General Information

If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you will also pay incur a commission and/or deferred sales charges in addition to the advisory fees paid to PMD Advisory and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

PMD Advisory believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, PMD Advisory's advisory fees may be higher

than that charged by other investment advisers offering similar services/programs.

Additional Compensation

PMD Advisory's representatives are also registered representatives of Cambridge Investment Research, Inc. Cambridge Investment Research, Inc., a securities broker/dealer and member FINRA/SIPC. In this separate capacity, they can receive a commission for selling securities products. This is a conflict of interest. As a registered representative, they sell mutual funds and receive 12(b)-1 fees in addition to commissions. The 12(b)-1 fees, named after a section of the *Investment Company Act of 1940*, are annual marketing or distribution fees and considered an operational or administrative expense. The fees are included as a part of the mutual fund's total expense ratio and paid from fund assets. Therefore, the fees come indirectly from your account. Mutual fund prospectuses include a description of the fund's fees and expenses. Receiving 12(b)-1 fees represents an incentive for a registered representative to recommend funds with 12(b)-1 fees or with higher 12(b)-1 fees than funds with no fees or lower fees. This is also a conflict of interest.

You should also be aware that PMD Advisory's representatives are licensed insurance agents. If you elect to follow our recommendations regarding insurance products and select one of our representatives to implement the recommendations, the representative could receive commissions. This is a conflict of interest since the representative could earn advisory fees in his or her capacity as an investment advisor representative and could also earn commissions on insurance products sold in his or her capacity as an independently licensed insurance agent. Please see **Item 10 - Other Financial Activities and Affiliations** for additional discussion on this conflict of interest. You have sole discretion about whether or not to contract for our services. In addition, you have sole discretion about whether or not to implement any recommendations made by our representatives. If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any broker/dealer and/or insurance agent to implement our recommendations.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-based fees are fees based on a share of capital gains or capital appreciation of the assets held within a client's account. We do not charge or accept performance-based fees.

Item 7 – Types of Clients

PMD Advisory generally provides investment advice to the following types of clients:

- Individuals
- Pension, retirement and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

Minimum Investment Amounts Required

There is a minimum fee of \$300 for limited consultations provided on a fixed fee basis. There is no minimum fee required if limited consultations are provided on an hourly basis.

Third-party money managers have minimum account and minimum fee requirements in order to participate in their programs. Each-third party money manager will disclose its minimum account size and fees in its Form ADV Part 2A.

PMD Advisory typically imposes a minimum investment amount of \$25,000 to establish an account under management by PMD Advisory. Exceptions can be made to the account minimum based on client circumstances that include, the potential for additional deposits to the account, client relationship with the PMD Advisory Representative, other managed accounts, and other services engaged in by the client. It should be noted that PMD Advisory Representatives

may impose higher account minimums than the \$25,000 level established by PMD Advisory. You should consult with your PMD Advisory Representative to determine the required account minimum. There is a minimum annual fee of \$1,000, although exceptions may be granted to this minimum fee based on your history and relationship with the firm and other possible advisory services provided. Under no circumstances will the client be charged more than 2% annually based on assets under management as a result of the minimum fee.

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

Methods of Analysis

Fundamental analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indication it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and future price movement. This style of analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and it predict when how long the trend may last and when that trend might reverse.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data is incorrect, there is always a risk that our analysis is compromised by inaccurate or misleading information.

To conduct analysis, PMD Advisory gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC and company press releases.

Investment Strategies

PMD Advisory uses the following investment strategies when managing client assets and/or providing investment advice:

- Long term purchases. Investments held at least a year.
- Short term purchases. Investments sold within a year.
- Short sales

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to

market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as an unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities are subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

PMD Advisory is **not** and does **not** have a related person that is a:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- An investment advisor or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- A lawyer or law firm
- A pension consultant
- A sponsor or syndicator of limited partnerships

We are an independent registered investment registered advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives sell other products or provide services outside of their role as investment advisor representatives with us.

Registered Representative of a Broker-Dealer

Our representatives are also registered representatives of Cambridge Investment Research, Inc. You may work with your investment adviser representative in his or her separate capacity as a registered representative of Cambridge Investment Research, Inc. When acting in his or her separate capacity as a registered representative, your investment adviser representative sells, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative will suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use Cambridge Investment Research, Inc and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Cambridge Investment Research, Inc. Prior to effecting any transactions, you are required to enter into a new account agreement with Cambridge Investment Research, Inc. The commissions charged by Cambridge Investment Research, Inc. may be higher or lower than those charged by other broker dealers. In addition, the registered representatives also receive additional ongoing 12(b)-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

It is important to understand investment advisers have a fiduciary obligation to provide advice and services through the investment adviser that are in the best interest of the client. However, when advisory representatives act in the capacity of a registered representative, their obligation is to make recommendations and conduct transactions that are suitable to you but are not necessarily in your best interest.

Insurance Agency and Agent

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting as an insurance agent, commissions will be paid for general disability insurance, life insurance and annuities. As such, your investment adviser representative in his or her separate capacity as an insurance agent will suggest that you implement recommendations of PMD Advisory by purchasing disability insurance, life insurance or annuities. Receiving commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the objectivity of the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

People Make the Difference, Inc. dba PMD Advisory is a licensed insurance agency. Clients are not obligated to purchase insurance products through PMD Advisory. If insurance products are purchased commissions will be earned. This is considered a conflict of interest. Clients are encouraged to seek the advice of other insurance professionals.

Recommend or Select other Investment Advisors for Compensation

As disclosed above in Items 4 and 5, PMD Advisory recommends, refers, or selects one or more third party investment advisers to provide asset management services. As a result of a client participating and engaging the third-party investment adviser's services, the third-party investment adviser will pay a portion of the advisory fee charged and collected from you to PMD Advisory as a promoter fee. Therefore, PMD Advisory has a direct interest in you engaging

the third-party investment adviser. This creates a material conflict of interest. There may be other investment advisers offering similar management services that do not compensate PMD Advisory and whose services are less costly. You are provided with the third-party investment adviser's Disclosure Brochure and with a Promoter Disclosure that outlines the amount of compensation paid to PMD Advisory.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

An investment advisor is considered a fiduciary and has a fiduciary duty to all clients. PMD Advisory has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. PMD Advisory's Code of Ethics covers all individuals that are classified as "supervised persons." All employees, officers, directors and investment advisor representatives are classified as supervised persons. PMD Advisory requires its supervised persons to consistently act in your best interest in all advisory activities. PMD Advisory imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you.

This section is intended to provide a summary description of PMD Advisory's Code of Ethics. If you wish to review the Code of Ethics in its entirety, you should send a written request and upon receipt of your request, a copy of the Code of Ethics will promptly be provided to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Both we and our associated persons buy or sell investment products for our personal accounts that are identical to those recommended to clients. This creates a conflict of interest. It is our express policy that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. PMD Advisory and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investment public upon reasonable inquiry
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider"
- Associated persons are discouraged from frequent personal trading
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted the applicant's Chief Compliance Officer.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

As previously stated, Advisory Representatives are registered representatives of Cambridge Investment Research, Inc. If you elect to have our representatives implement the advice in their capacity as registered representatives, then Cambridge Investment Research, Inc. will be used. Because our representatives are registered representatives of Cambridge Investment Research, Inc. they are required to direct or execute securities transactions through clearing broker dealers approved or authorized by Cambridge Investment Research, Inc.

PMD Advisory has obtained approval to offer you the ability to maintain accounts through:

- Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”)
- Charles Schwab
- Cambridge Investment Research, Inc. through Pershing, LLC or National Financial Services (“NFS”)

PMD Advisory is independently owned and operated and not affiliated with the above reference firms. Cambridge Investment Research, Inc. has a wide range of approved securities products for which it performs due diligence prior to selection. Cambridge Investment Research, Inc.’s registered representatives are required to adhere to these products when implementing securities transactions through Cambridge Investment Research, Inc. Commissions charged for these products may be higher or lower than commissions charged if transactions were implemented through another broker/dealer. Because our representatives are also registered representatives of Cambridge Investment Research, Inc., it provides compliance and supervision support to our representatives. In addition, Cambridge Investment Research, Inc. provides our representatives, and therefore us, with back-office operational technology and other administrative support.

Not all investment advisers require clients to utilize a specific broker/dealer. As stated above, the cost to implement transactions through Cambridge Investment Research, Inc. may be higher or lower than what would be obtained if another broker/dealer was used. If the firm assists in implementing any recommendations, we are responsible to ensure that you receive the best execution possible. Best execution does not necessarily mean that you receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions surround the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of the advisor, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back-office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

Products and Services Available to Us

The above referenced broker/dealers provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available. The broker/dealers also make available various support services. Some of those services help us manage or administer our clients’ accounts; while others help us manage and grow our business. Following is a more detailed description of support services:

Services That Benefit You.

Access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Services That Will Not Directly Benefit You.

The broker/dealers make available to us other products and services that benefit us but not directly benefit you or your

account. These products and services assist us in managing and administering our clients' accounts. They include investment research. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the broker/dealers. In addition to investment research, we receive software and other technology that:

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

Services That Generally Benefit Only Us.

The broker/dealers offer other services intended to help us manage and further develop our business enterprise. These services include:

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

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

Block Trading Policy

PMD Advisory, when deemed appropriate aggregates ("bunches") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. PMD Advisory conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random basis. Under certain circumstances, the amount of securities maybe increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Clients contracting for a financial plan receive ongoing services for a one-year period and this can include a review and update of the original financial plan. Internal reviews of accounts under management with PMD Advisory and/or at third party money managers are reviewed at least quarterly, usually when copies of statements are received. If you have an account under management with PMD Advisory and/or at third party money managers, you will be invited to participate in at least an annual review or as agreed by you and your Advisory Representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. You must notify your PMD Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require a review of the portfolio allocation and make recommendations for changes.

Statements and Reports

You receive statements at least quarterly from the custodian, investment company, broker/dealer, clearing firm or money manager where your account is maintained. Depending on the PMD Advisory representative you have selected, the representative may provide you a performance report at a frequency that you and your representative have agreed. You can also request a report from us at any time. It is important you compare any report provided by a PMD Advisory representative with the reports received direct from the account custodian. Should there be any discrepancies the

account custodian reports will prevail.

Financial planning clients do not receive any report other than the written plan originally contracted for.

Item 14 – Client Referrals and Other Compensation

Our firm may engage in promoter arrangements for client referrals. These individual promoters offer our services to the public. The Firm pays a referral fee to the promoter based on a portion of the management fees charged by the Firm and memorialized in a written agreement (“Promoter Agreement”). In all cases, the Firm will comply with the cash solicitation rules established by the SEC, state regulators and the client disclosure requirements. If a referred prospective client enters into an investment advisory agreement with the Firm, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided. The Firm will pay the promoter their share of the total fee. The Promoter Agreement requires that the promoter be appropriately registered under federal and state securities laws where applicable. Clients receive all related agreements and disclosures prior to or at the time of entering into an Investment Advisory Agreement with the Firm.

Please see **Item 5 - Fees and Compensation**, **Item 10 - Other Financial Industry Activities and Affiliations** and **Item 12 - Brokerage Practices**, for additional discussion concerning other compensation. As stated under Item 4 and 5, PMD Advisory will receive a portion of the management fee from third party managers where PMD Advisory acts as a promoter. Clients will be provided with the third-party manager’s Disclosure Brochure and a Promoter Disclosure which outlines the arrangement and compensation.

From time to time, we receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. We endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that impact our judgment when making advisory recommendations.

Additionally, Cambridge Investment Research, Inc. offers incentives to attend certain conferences based on achieving production thresholds. There is no requirement to sell a certain product or amount of a specific product. Qualification for trips and conferences is based on overall production and meeting the production levels determined by Cambridge Investment Research, Inc. If the thresholds are satisfied, Cambridge Investment Research, Inc. can cover certain travel and conference costs.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place within your account(s) each billing period. You should carefully review account statements for accuracy.

Item 16 – Investment Discretion

When providing asset management services, you provide us with written authorization to maintain trading authorization over your account. We manage assets on a discretionary or non-discretionary basis. If you grant discretionary authorization to us in the Advisory Agreement to implement trades on a discretionary basis, PMD Advisory has the authority to determine the type of securities, the amount of securities that can be bought or sold without obtaining your consent for each transaction.

Once the above factors are agreed upon, PMD Advisory is responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you cannot be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementation, and we will not achieve the optimal trading price.

You have the ability to place reasonable restrictions on the types of investments that are purchased in an account. You may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

PMD Advisory does not vote proxies on your behalf. You should read through the information provided with the proxy-voting documents and make a determination based on the information provided. If requested, we may provide limited clarifications of the issues based on our understanding of issues presented in the proxy-voting materials. However, you have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This item is not applicable to this brochure. PMD Advisory does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, PMD Advisory has not been the subject of a bankruptcy petition at any time.

Item 19 – Requirements for State-Registered Advisers

This item is not applicable to this brochure. PMD Advisory is registered with the Securities and Exchange Commission.

Customer Privacy Policy Notice

The information contained in this section will also be disclosed in PMD Advisory's Privacy Policy Statement ("Privacy Policy Statement"). This statement will be provided to all clients in accordance with the rules and regulations of the *Gramm-Leach-Bliley Act of 1999*.

As a registered investment advisor, PMD Advisory and its investment advisor representatives will gather and develop personal information regarding our clients. This information will be gathered and developed by us for the following purposes:

1. To determine the client's financial goals and objectives
2. To determine the level of advisory services needed and desired by the client
3. To provide the client with specific recommendations regarding advisory services
4. To provide the client with specific recommendations regarding financial products
5. To provide on-going support and recommendations regarding financial products held in the client's account

Client information that PMD Advisory will collect will include, but not be limited to the following:

- Information received from clients on financial inventories through consultations with its representatives. This information will include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the clients' financial conditions and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions.
- Information about clients' financial products and services transactions with PMD Advisory.

When a client account is closed, PMD Advisory will continue to keep all client information confidential in accordance with the principles stated in its privacy policy.

A copy of the Privacy Policy Notice will be delivered to all clients in writing by at least one of the following methods:

- By hand delivering a copy to the client.
- Mailing a copy to the client's address on record.
- If business is conducted electronically, a notice may be posted on an electronic site as long as the client acknowledges receipt of the Privacy Policy Notice prior to the client obtaining any services or products from PMD Advisory.
- Email.

A copy of the Privacy Policy Notice will be provided to the client no later than the time a client establishes a relationship with PMD Advisory, unless this situation would cause a delay in the client obtaining services and the client agrees to accept the notice at a later date. When this situation applies, a copy of the Privacy Policy Statement will be delivered to the client within a reasonable time period following the transaction.

Any time a change is made to the Privacy Policy, the statement to clients will be revised. The revised statement will be given to all affected clients prior to any disclosure of information.