

## **The Advisory Resource Group, LLC**

### **Part 2A of Form ADV: Firm Brochure**

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This brochure provides information about the qualifications and business practices of The Advisory Resource Group, LLC (“ARG”). If you have any questions about the contents of this brochure, please contact us at 918-481-1934. 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. ARG is a Registered Investment Adviser. Registration as a Registered Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about ARG is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for ARG is 290110.

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## ITEM 2 – Material Changes

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### Summary of Material Changes

There have been no material changes since our last annual filing on March 2, 2023.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer Chris Brown at 918-481-1934 or [chris.brown@cpfguide.com](mailto:chris.brown@cpfguide.com).

We encourage you to read this document in its entirety.

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### ITEM 3 – Table of Contents

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ITEM 1 – Cover Page .....	1
ITEM 2 – Material Changes .....	2
ITEM 3 – Table of Contents .....	3
ITEM 4 – Services, Fees & Compensation .....	4
ITEM 5 – Account Requirements & Types of Clients .....	7
ITEM 6 – Portfolio Manager Selection & Evaluation .....	7
ITEM 7 – Client Information Provided to Portfolio Manager(s) .....	11
ITEM 8 – Client Contact with Portfolio Manager(s) .....	11
ITEM 9 – Additional Information .....	11

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## ITEM 4 – Services, Fees & Compensation

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We offer a wrap fee program as described in this Wrap Fee Program Brochure. The Wrap Fee Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is generally considered any arrangement under which clients receive investment advisory services and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Prior to receiving services through the Program, clients are required to enter into a written agreement with our firm setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”).

### Our Wrap Advisory Services

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We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day to day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), and individual debt (bonds) and equity securities in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop and document in writing, a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan.

It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

If a discretionary relationship is in place, we will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

#### Relative Cost of the Program

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee however, most investments trade without transaction fees today, so our payment of these and other incidental custodial related expenses should not be considered a significant factor in determining the relative value of our wrap program.

Our Firm charges a fee as compensation for providing investment management services on your account. These services include advisory services, trade entry, investment supervision, and other account-maintenance activities. Our custodian may charge custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed monthly in advance. The initial fee will be based upon the account market value on the date the account is accepted for management by execution of the advisory agreement by ARG and when the assets are transferred into the account through the last day of the current month. Thereafter, the monthly fee will be calculated on the market value on the last business day of the prior month. The market value will be determined on a trade date basis. Fees are assessed on all assets under management, including securities, cash and money market balances.

Our maximum investment advisory fee is 1.75% or we may negotiate a lower advisory fee. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as "house-holding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of house-holding accounts for fee purposes looks at the overall family dynamic and relationship. With the permission of our client, we often

will include multi-generational factors such as the account values of adult children and grandchildren as part of the family dynamic pricing. When applicable and noted in **Appendix A** of the Investment Management Agreement, legacy positions will also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a monthly basis indicating all the amounts deducted from the account including our advisory fees.

Either ARG or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and the unearned fee refunded to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, ARG will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we incur the fees for executed trades. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

#### Other Types of Fees & Expenses

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You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, wire transfer fees, fees for trades executed away from custodian, and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

ARG includes mutual funds and exchange traded funds, ("ETFs") in our investment strategies. ARG policy is to purchase institutional share classes of those mutual funds selected for the client's portfolio. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do

not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, ARG may use them in the client's portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with ARG would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

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#### ITEM 5 – Account Requirements & Types of Clients

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We provide investment advice to individuals, high net worth individuals, employee sponsored retirement plans, and trusts. Our minimum initial household value for opening accounts is \$200,000; however, we may accept accounts for less than the minimum.

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#### ITEM 6 – Portfolio Manager Selection & Evaluation

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##### Advisory Business

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See Item 4 for information about our wrap fee advisory program. We offer individualized investment advice to clients utilizing our Wrap Portfolio Management service.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

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##### Participation in Wrap Fee Programs

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We offer wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

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##### Performance-Based Fees & Side-By-Side Management

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We do not charge performance fees to our clients.

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##### Methods of Analysis, Investment Strategies & Risk of Loss

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At ARG we use a variety of security analysis methods including, but not limited to, charting/trend-based analysis, fundamental analysis, technical analysis, and cyclical analysis. It is important to us to use all the tools we have at our disposal when researching and recommending security positions for client portfolios staying consistent with our client first fiduciary responsibilities. Our research comes from a wide variety of sources that include, but are not limited to, financial newspapers, magazines, research materials prepared by others, corporate rating services and reports, prospectuses, and public filings. We implement a team approach to analysis fostering innovation that we can use to help our clients excel.

At ARG, we determine a client specific, holistic, investment strategy based on investment objectives and experience, risk tolerance, financial time horizon, liquidity needs, and various other suitability factors. Our investment strategies and advice may vary with our clients' specific financial situations. After determining the investment strategy, we utilize our security analysis to provide a strategic investment selection aimed at fulfilling the needs of the client's investment strategy. These investments are managed and adjusted as economic considerations, market cycles, life changes, and client investment objectives change.

As a financial services firm dedicated to professional excellence and client satisfaction, we strive to provide our clients with insightful, high-quality advice that has a positive impact on their daily lives and how they live them. Our commitment to this process necessitates that we make assessments in many key areas, and that we consider every element of a client's financial situation prior to offering any recommendations.

Through our efforts to "leave no stone unturned," we ensure that we possess a thorough understanding of the distinct needs, concerns and desires of every client we serve. This approach to planning is the heart of our philosophy, through which we enable our clients to realize their goals and achieve financial wellbeing. Such services include one or more of the following:

**Asset Protection:** We believe that risk management is the foundation of all successful planning and is essential to our comprehensive planning philosophy. While an investment plan is, no doubt, important, no amount of investing can offer the security and protection of a properly implemented risk management strategy.

**Investment Management:** We believe in a long-term investment strategy—one that helps minimize risk while maximizing return potential. We accomplish this by developing balanced portfolios that are fully diversified among stocks, bonds and cash equivalents, and that are consistent with the client's investment objectives, risk tolerance and time horizon. We feel that it is imperative to remain focused on long-term goals and objectives, even during periods of short-term volatility. Based on our experience, investment success requires discipline, patience and a long-term perspective. Diversification does not guarantee positive results. Loss, including loss of principal may occur.

**Cash Flow:** We include a detailed retirement cash flow analysis in every plan to help ensure that our clients will have the appropriate level of liquidity to satisfy current and future income requirements.

**Tax Planning:** We believe that tax planning is an essential part of every plan. In our collaboration with qualified accounting professionals, we consider the tax ramifications of all investment decisions to maximize the benefits for our clients and legitimately minimize their tax exposure.

**Estate Planning:** We advocate the inclusion of appropriate estate planning tools (e.g., wills, durable powers of attorney, advance health directives, trusts, etc.) as part of any comprehensive planning strategy. These documents, when drafted by a competent estate attorney, can provide



tremendous benefits to clients and their families, namely preservation of capital, enhanced control over the management and distribution of assets, and greater peace of mind.

**Multi-Generational Planning:** We believe in planning for the efficient transfer of wealth to future generations. Multi-generational planning allows every individual to create a legacy, and to leave something of value behind to family and loved ones. If planned properly, this legacy will continue well beyond the individual's own lifetime and enrich the lives of many generations to follow.

**Review Process:** To meet the goals and expectations of our clients, it is imperative that we remain informed of our clients' current financial and personal situations by conducting periodic reviews. The review process allows us to identify a client's changing needs and make necessary adjustments quickly and efficiently.

#### Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients 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.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Structured Notes** - Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates, or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation. Investment in structured products includes significant risks, including valuation, liquidity, price, credit, and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency. Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment-grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

**Cybersecurity Risk** - In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and

unintentional events at ARG or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

#### Voting Client Securities

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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. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients can contact our office with questions about a particular proxy solicitation by phone at 918-481-1934.

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#### ITEM 7 – Client Information Provided to Portfolio Manager(s)

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Our financial advisors work with you directly to understand your current financial situation, existing resources, financial goals, and tolerance for risk. Our firm urges you to communicate to us any significant changes to your financial or personal circumstances, so that we can consider such information in managing your investments.

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#### ITEM 8 – Client Contact with Portfolio Manager(s)

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Our firm does not place restrictions on the client's ability to contact and consult their financial advisor. As the portfolio manager, clients are free to contact us at any time.

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#### ITEM 9 – Additional Information

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##### Disciplinary Information

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We have determined that our firm and management have no disciplinary information to disclose.

##### Financial Industry Activities & Affiliations

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###### ***Insurance***

Estate Needs Advisors, an affiliated and separate entity, is a licensed insurance agency with the State of Oklahoma and licensed in various other states. Investment Adviser Representatives ("IARs") of our Firm may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should

note that they have the right to decide whether to act on the recommendation and the right to purchase any insurance products through ARG or its IAR or any licensed insurance agent not affiliated with ARG. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies in this regard to mitigate this conflict of interest.

### ***Broker Dealer***

Certain IARs of our Firm are registered representatives of M.S. Howells & Co. ("M.S. Howells") a securities broker-dealer and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of our Firm and these IARs is spent in connection with broker/dealer activities.

As a broker-dealer, M.S. Howells engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by our Firm or its IARs, investments in securities may be recommended for clients. If M.S. Howells is selected as the broker-dealer, M.S. Howells and its registered representatives, including IARs of ARG may receive commissions for executing securities transactions. When IARs of our Firm receive commissions in connection with the advice given to advisory clients, our Firm may reduce a portion of its fees by the amount of the commissions earned by our Firm's IARs.

You are advised that if M.S. Howells is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of our Firm or M.S. Howells.

Our Firm may provide advice regarding investment company securities. You should be aware that, in addition to the advisory fees you pay in connection with any of our Firm's program, each investment company also pays its own separate investment advisory fees and other expenses. Such fees and expenses are disclosed in the mutual fund's prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of ARG.

Moreover, you should note that under the rules and regulations of FINRA, M.S. Howells has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require M.S. Howells to coordinate with and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than M.S. Howells.

Certain IARs of our Firm may, in their capacity as registered representatives of M.S. Howells, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received by ARG or these IARs in connection with the advice given to advisory clients, our Firm may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee

earned by our Firm or these IARs. However, clients should note that they are under no obligation to purchase any investment products through our Firm or its IARs.

Clients should be aware that the ability to receive additional compensation by ARG and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. ARG endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees or Related Companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We have contracted with a third-party provider to utilize a technology platform to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third party will have access to client accounts, but will not serve as an investment advisor to our clients. ARG and the third party are non-affiliated companies. Our Firm pays an annual fee for each account administered by the third party. Please note that the fee charged to the client will not increase due to the annual fee ARG pays to the third party, the annual fee is paid from the portion of the management fee retained by ARG.

#### Brokerage Practices

ARG has historically participated in the TD Ameritrade Institutional program, now acquired by Charles Schwab & Co. Inc., "Schwab". Schwab offers services to independent investment advisors

that include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from Schwab through its participation in the program. (Please see the disclosure under Item 14 below.)

**Schwab's Brokerage Services** In addition to the advisory services, the wrap fee program includes certain brokerage services of Charles Schwab & Co., Inc. ("Schwab") a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. We are independently owned and operated and not affiliated with Schwab. Schwab will act solely as a broker-dealer and not as an investment advisor to you. It will have no discretion over your account and will act solely on instructions it receives from us [or you]. Schwab has no responsibility for our services and undertakes no duty to you to monitor our firm's management of your account or other services we provide to you. Schwab will hold your assets in a brokerage account and buy and sell securities and execute other transactions when we [or you] instruct them to. We do not open the account for you. (Please see the disclosure under Item 14 below.)

ARG does not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with either Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot manage your account. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below.

### **How we select brokers/custodians**

We seek to use Schwab, custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provide are, overall, most advantageous to you when compared with other available providers and their services, we take consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by TD or Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Your brokerage and custody costs**

For our clients’ accounts that TD or Schwab maintains, neither TD nor Schwab generally charges you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your TD or Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur TD or Schwab commissions or transaction fees. TD and Schwab are also compensated by earning interest on the uninvested cash in your account.

Although we are not required to execute all trades through either TD or Schwab, we have determined that having TD or Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

### **Products and services available to us from Schwab:**

- Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us.
- Schwab also makes 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. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request

them) and at no charge to us. Following is a more detailed description of Schwab's support services:

- Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.
- The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.
- Schwab's services described in this paragraph generally benefit you and your account.
- Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
  - 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. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

### **Our interest in Schwab's services**

We believe that taken in the aggregate, our recommendation of Schwab or TD as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's and TD's services (see "How we select brokers/ custodians") and not Schwab's nor TD's services that benefit only us.



There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade or Schwab may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade or Schwab through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade or Schwab. Other services made available by TD Ameritrade or Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade or Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade or Schwab for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD or Schwab. We may recommend that you establish accounts with TD or Schwab to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

#### **Brokerage for Client Referrals**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

#### Aggregation and Allocation of Transactions

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms

defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;
3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
6. If a pro-rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, we may exclude the account(s) from the allocation.
7. We will document the reasons for any deviation from a pro-rata allocation.

#### Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

#### Directed Brokerage

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

#### Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

## Review of Accounts

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### Account Reviews and Reviewers – Investment Supervisory Services

Our IARs will monitor client accounts on a quarterly basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

### Statements and Reports

Through an agreement with a third-party vendor, our firm will provide clients with quarterly performance/position summary reports. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

calendar year. Clients will also have access to daily portfolio reports through a client portal. This report includes information as of the date indicated based on trades that have been executed in the account(s). To the extent that your custodian account statements report information based on settlement date rather than trade date, there is a possibility that trades executed but not settled before the end of a reporting period may be reflected in this report but not on your custodian account statements.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by our Firm against the account statements you receive directly from your account custodian.

#### Client Referrals & Other Compensation

Our firm will neither accept nor pay a fee for referrals. As disclosed under Brokerage Practices, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by ARG or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by ARG or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

#### Soft Dollars

Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

## Financial Information

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We are not required to provide financial information in this Brochure because:

- We never receive prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities, except for our authorization to directly deduct fees as disclosed in item 4.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. We have never been the subject of a bankruptcy proceeding.