

Item 1 – Cover Page

Pension Consultants, Inc.

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www.pension-consultants.com

Date of Brochure: July 2011

This brochure provides information about the qualifications and business practices of Pension Consultants, Inc. If you have any questions about the contents of this brochure, please contact Brian Allen at 417-889-4918 or at brian@pension-consultants.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 Pension Consultants is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for our firm name, Pension Consultants, Inc., or searching by our firm CRD number, which is **113914**.

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

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the requirements of the disclosure document that Pension Consultants provides to clients as required by applicable rules and regulations. Pension Consultants updated its Disclosure Brochure in February 2011 to comply with the new requirements and rules. Our last annual update of the brochure was in February 2011. We have made minor revisions to the disclosure brochure in April 2011 (updating the narrative description provided at Item 9) and July 2011 (updating the ERISA COMPLETE fee schedule).

In the past our firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. Additionally, we may provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Pension Consultants, Inc. is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of the State of Missouri.

- The firm’s President and Chief Compliance Officer is Brian Allen.
- Pension Consultants has been registered as an investment advisor with the SEC since July 1999. Prior to its registration with the SEC, Pension Consultants was registered as an investment adviser with the State of Missouri.

General Description of Primary Advisory Services

Pension Consultants, Inc. (hereafter referred to as “PCI” or “we”) provides advice to Plan Sponsors with respect to the design, implementation and maintenance of pension and profit sharing plans. Advisory services to Plan Sponsors include CORE COMPLETE, Investment COMPLETE, and ERISA COMPLETE. We provide individualized advisory services to plan participants through RetireAdvisers® Plan Participant and educational services through RetireAdvisers® Guidance Now. We also provide individualized advisory services to individuals and high net-worth individuals through RetireAdvisers® Portfolio COMPLETE. Additionally, we sometimes provide limited investment advisory services to plan sponsor and/or individual clients. A more detailed description of all of our services is provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the description of services side-by-side to the description of fees.

Limits Advice to Certain Types of Investments

We provide investment advice on the following types of investments:

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable annuities
- United States government securities

We do not provide advice on foreign issues, warrants, commercial paper, options contracts on commodities, futures contracts on tangibles or intangibles, interests in partnerships investing in oil and gas interests, or hedge funds and other types of private (i.e. non-registered) securities. *(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

No Participation in Wrap Fee Programs

A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction services are provided for one fee. Advisor does not act as a portfolio manager of or sponsor wrap fee programs.

Tailor Advisory Services to Individual Needs of Clients

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on any accounts we advise for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

Client Assets Managed by Pension Consultants

Pension Consultants, Inc. does not have any assets under management. The amount of clients assets advised by Pension Consultants, Inc. totaled \$1,578,000,000 as of December 31, 2010.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

INVESTMENT SERVICES OFFERED TO INSTITUTIONAL CLIENTS

We provide advice to Plan Sponsors with respect to the design, implementation and maintenance of pension and profit sharing plans. Our CORE COMPLETE, Investment COMPLETE, and ERISA COMPLETE services include the following:

CORE COMPLETE

Investment Search

Consult with client and draft Investment Search Methodology (ISM)

Conduct investment search based upon search methodology
Consolidate data for presentation

Investment Selection

Present search findings to committee
Recommend an investment from the investment search results for each asset class in which a search was conducted

Investment Supervision and Guidance

Consult with client and draft Investment Policy Statement (IPS)
Consult with client and draft participant asset allocation models for participant selection
Investment Monitoring Report (IMR)
Probationary Analysis Report (PAR)
Investment research, consultation, and presentation

ERISA Supervision and Guidance

Create and update administrative documents manual
QP Review® data gathering and interviews
QP Review® report delivery and presentation
Conduct committee meeting
ERISA research, consultation, and presentation

Participant Education

Provide standard participant educational materials and resources
Participant education presentations and development of customized materials

Investment COMPLETE

Investment Search

Consult with client and draft Investment Search Methodology (ISM)
Conduct investment search based upon search methodology
Consolidate data for presentation

Investment Selection

Present search findings to committee
Recommend an investment from the investment search results for each asset class in which a search was conducted

Investment Supervision and Guidance

Consult with client and draft Investment Policy Statement (IPS)
Consult with client and draft participant asset allocation models for participant selection
Investment Monitoring Report (IMR)
Probationary Analysis Report (PAR)

Investment research, consultation, and presentation

ERISA COMPLETE

ERISA Supervision and Guidance

Create and update administrative documents manual

QP Review® data gathering and interviews

QP Review® report delivery and presentation

Conduct committee meeting

ERISA research, consultation, and presentation

The annual scope and frequency of the CORE COMPLETE, Investment COMPLETE, and ERISA COMPLETE services are based upon the total plan value. There are six defined tiers that progressively provide an increasing amount and frequency of services. For CORE COMPLETE and Investment COMPLETE services, a description of the six tiers, including the amount and frequency of services is provided in the appropriate appendix to the Institutional Services Agreement. For ERISA COMPLETE services, the amount and frequency of services will be described in the Institutional Services Agreement. The six tiers and their corresponding fees are listed below.

For CORE COMPLETE and Investment COMPLETE, when a client's total plan value increases or decreases to a different tier level by June 30 of a calendar year, PCI will automatically increase or decrease the services being provided to the client to correspond to those services that are provided at the new tier level starting January 1 of the following calendar year, assuming that the asset level remains at the new tier level at that time.

For ERISA COMPLETE, the client's total plan value will be reviewed only at the calendar year-end (December 31) to determine whether PCI will adjust the tier level for the next year's services.

PCI does not provide advice with respect to the qualification of the plan, legal or accounting advice or render services involving nondiscrimination tests, coverage tests, top-heavy tests, annual accounting or other similar services normally provided by a record keeper.

For certain employer-directed plan accounts, the client has granted non-discretionary trading authority to PCI. For such accounts, we provide trading instructions to the account custodian on behalf of the client.

The fees charged to pension and profit sharing Plan Sponsor clients who engage for the CORE COMPLETE services described above are as follows:

| <u>Tier Level</u> | <u>Asset Size</u> | <u>Asset Based Fee</u> |
|-------------------|--------------------|------------------------|
| 1 | First \$10,000,000 | 0.270% |
| 2 | Next \$15,000,000 | 0.120% |

| | | |
|---|--------------------|--------|
| 3 | Next \$25,000,000 | 0.080% |
| 4 | Next \$25,000,000 | 0.040% |
| 5 | Next \$25,000,000 | 0.030% |
| 6 | Over \$100,000,000 | 0.020% |

The fees charged to pension and profit sharing Plan Sponsor clients who engage for the Investment COMPLETE services described above are as follows:

| <u>Tier Level</u> | <u>Asset Size</u> | <u>Asset Based Fee</u> |
|-------------------|--------------------|------------------------|
| 1 | First \$10,000,000 | 0.170% |
| 2 | Next \$15,000,000 | 0.070% |
| 3 | Next \$25,000,000 | 0.040% |
| 4 | Next \$25,000,000 | 0.030% |
| 5 | Next \$25,000,000 | 0.020% |
| 6 | Over \$100,000,000 | 0.010% |

The fee charged to pension and profit sharing Plan Sponsor clients who engage for the ERISA COMPLETE services described above are as follows:

| <u>Asset Size</u> | <u>Fixed Annual Fee</u> |
|----------------------------|-------------------------|
| \$0 – 10,000,000 | \$11,000 |
| \$10,000,001 – 25,000,000 | \$13,750 |
| \$25,000,001 – 50,000,000 | \$21,500 |
| \$50,000,001 – 75,000,000 | \$23,000 |
| \$75,000,001 – 100,000,000 | \$31,000 |
| Over \$100,000,000 | \$36,000 |

A total minimum fee of \$13,500 is required for CORE COMPLETE services. A total minimum fee of \$8,500 is required for Investment COMPLETE services. A total minimum fee of \$11,000 is required for ERISA COMPLETE services. These minimum fees may prevent PCI from providing services to small ERISA plan sponsors. PCI retains the discretion to modify the terms of client engagement, including the schedule of fees and services, by giving the Plan Sponsor not less than 30 days prior written notice of such change.

Asset based fees are charged on all assets including, but not limited to, all marketable securities, mutual fund shares, certificates of deposit, limited partnerships, unit investment trust shares, and amounts invested in variable annuity and variable insurance products and are based on the value of such assets determined as of the last day of the billing quarter (referred to as "total plan value"). Fees will begin on the later of the 15th day following the date the Plan Sponsor signs the service agreement or the effective date of the corresponding appendix. Fees are due within thirty days after each quarter end. PCI may, at its discretion, impose a service charge up to the maximum allowable by Missouri law on late payments.

Furthermore, the amount of Investment Search and Selection services detailed in CORE COMPLETE and Investment COMPLETE is negotiable in the first year of engagement.

Fees will be offset by any compensation earned by related persons of PCI, and shall be credited to the client on the subsequent quarterly invoice. Although the receipt of such fees and their availability from different vendors may potentially create conflicts of interest, PCI endeavors to mitigate all such potentialities. See Item 11 below. Such compensation, if any, may be the result of naming Securities Service Network, Inc., member FINRA/SIPC, as a broker-dealer for the Plan. When such compensation is earned by related persons of PCI, PCI will deduct an administrative fee equal to 10% of the compensation amount; provided that the administrative charge may not exceed 5 basis points (.05%) of the total plan value in any calendar year. This administrative fee will help offset the costs born by PCI and its related persons due to incurring broker/dealer charges, complying with applicable FINRA rules and regulations, and accounting for and documenting the compensation.

If there are any advisory fees due, after credit has been applied, such fee(s) will be billed per the terms listed below. If the applied credit is in excess of the fee, the Plan Sponsor client (or the named fiduciary of the plan) shall direct PCI on how such excess is to be applied.

If PCI is directed to pay plan expenses, the Plan Sponsor client (or the named fiduciary) shall submit proof that such expenses were incurred, but PCI is not responsible for determining whether such expenses are legitimate plan expenses under applicable provisions of ERISA or DOL guidance thereunder. This responsibility belongs solely to the Plan Sponsor client (or the named fiduciary).

If the Plan Sponsor client (or the named fiduciary of the plan) fails to direct PCI on how any excess credit of PCI's advisory fee shall be applied and any such excess remains unapplied as of the end of a calendar year, PCI shall remit such excess amount to the trustee of the plan to be allocated or applied as provided in the plan document or otherwise in the discretion of the named fiduciary of the plan; and PCI shall be relieved of any further responsibility for such excess amount.

Fees based on a percentage of portfolio assets are billed each calendar quarter after the work is completed and are calculated on the total plan value on the last day of the billing quarter. If PCI cannot determine the value of the investments at that time, it will request the Plan Sponsor client provide PCI with the amount in writing. If the Plan Sponsor client does not respond within 15 days, PCI will calculate the fee using the last known valuation.

If any additional services are required beyond those detailed on the appropriate Appendix of the service agreement for CORE COMPLETE or Investment COMPLETE, or as detailed in the Institutional Services Agreement for ERISA COMPLETE services, these additional services must be approved by the Plan Sponsor in writing.

The fee for additional services is generally quoted on an hourly rate which is dependent upon the nature of the services and the position and expertise of the person performing the work. Hourly rates are between \$65 - \$250. Alternatively, the fee may be quoted on a project basis. Both hourly and project work will be billed on a quarterly basis for CORE COMPLETE, Investment COMPLETE, or ERISA COMPLETE clients. The fees charged by PCI, whether they are based on a percentage of assets, hourly, or project work, may be in addition to other costs charged by third parties for custodial, legal, accounting, or record keeping tasks. They also do not include the cost of purchasing or owning securities or variable products, such as commissions, management fees, 12b-1 fees, clearing charges, or other costs discussed in the applicable prospectus.

Proxy Consulting and Research Services

PCI also offers consulting and research services to pension and profit sharing Plan Sponsor clients to assist them in managing and fulfilling their proxy voting responsibilities. Our Proxy Consulting and Research Services are offered solely for plan assets invested in mutual funds. Clients may contract with us to develop appropriate proxy policies and procedures, including among other things, compliance with the plans written statement of investment and / or proxy policy, delegation of proxy voting authority, procedures for monitoring mutual fund governance, proxy voting research and consultation.

Our services, however, do not include the voting of proxies.

FEES: Proxy Consulting and Research Services are generally quoted on an hourly rate which is dependent upon the nature of the services and the position and expertise of the person performing the work. Hourly rates are between \$65 - \$250. Alternatively, the fee may be quoted on a project basis. Both hourly, and project work will be billed on a quarterly basis for CORE COMPLETE, Investment COMPLETE, and ERISA COMPLETE clients. Other clients will be billed monthly.

At our discretion, charges for the Proxy Consulting and Research Services are negotiable for engagements that are significant in volume or scope, and charges also may be discounted for first time clients of this service.

PCI will never hold client funds greater than \$500 for more than six months in advance of completion of the services rendered.

INVESTMENT SERVICES OFFERED TO INDIVIDUAL CLIENTS

We provide the following individualized investment advisory services to plan participants.

RetireAdvisers® Plan Participant

In conjunction with the pension consulting services PCI provides to pension and/or profit sharing plan sponsors ('Plan'), PCI also offers investment advice to individual Plan participants ('Participants'). Participants may contract with PCI for guidance and recommendations regarding the investment of the Participant's retirement assets. Our RetireAdvisers® **Plan Participant** includes determining the Participant's investment objectives and time horizon, evaluating the Participant's current plan investments and providing the Participant's with appropriate investment recommendations. Upon a Participant's request, PCI assists the Participant in completing the required information in the retirement evaluator, a computer program that meets the Department of Labor's definition of "interactive investment material" (DOL Interpretive Bulletin 96-1). Although we may, at the Participant's request, take into consideration other assets that the Participant may have, our investment recommendations are limited to the current plan investments.

Upon receipt of the executed agreement, we provide the Participant with the most recent quarter-end historical rates of return on the Participant's existing fund(s). The timeliness of our investment recommendations may be adversely impacted in the event that the Participant fails to respond to the recommendations promptly (e.g., within ninety days).

PCI will not manage the Participants' retirement accounts, nor will we provide any ongoing monitoring or rebalancing of such accounts. The Participant retains the responsibility for making all investment decisions regarding the account, as well as the implementation of all investment decisions for those account assets. The Participant may follow our recommendations or choose to invest funds in some other manner of the Participant's choosing.

Although PCI does not act as the investment manager for the Participant's assets, by providing investment recommendations to the Plan Participant, PCI is acting as a fiduciary with respect to the investment recommendations pertaining to the Participant's Plan assets. PCI provides RetireAdvisers® **Plan Participant** services to Plan Participants pursuant to entering into an agreement with the Plan Sponsor.

PCI coordinates administration of these services including billing procedures and preparation of the RetireAdvisers® **Plan Participant** service. In addition to the services PCI provides to the individual Participants, annually we also provide a written report to the Plan Sponsor prepared by an independent auditor in accordance with the relevant regulatory requirements of the Pension Protection Act.

PCI charges a one-time set up fee of \$25 at the time the Participant's RetireAdvisers® **Plan Participant** service agreement is received by PCI. Consultation with the Participants are billed at the rate of \$75 per half hour for investment advice rendered by

PCI with the understanding that the total amount of billable time will not exceed three hours without consent of the Participant. All work is billed in quarter-hour increments and is due on the date indicated in the Summary of Services section of the recommendation report that is mailed to the Participant within two business days once the interview has been completed. Other than the one-time set up fee, all fees are invoiced for the investment advice upon completion of the services.

For these services, PCI may be compensated by the Plan Sponsor, the individual Plan Participant or a combination of the two. Effective March 1, 2009, the following fees and terms are applicable:

1. Invoice the Plan Sponsor for the \$25 set up fee and the \$75 per one-half hour for investment advice for each participant who submits a RetireAdvisers® **Plan Participant** service agreement, *OR*
2. Invoice the Plan Sponsor for the \$25 set up fee of each participant who submits a service agreement and invoice the Participant for the \$75 per half hour of investment advice, *OR*
3. Invoice the Plan Sponsor for the \$75 per half hour of investment advice for each participant who submits a service agreement, and invoice the participant for the \$25 set up fee, *OR*
4. Invoice each Participant who submits a service agreement for the \$25 set up fee and the \$75 per half hour of investment advice.

PCI provides the following customized investment advisory services to individual clients.

RetireAdvisers® Portfolio COMPLETE

Account Establishment and Initial Client Set Up: PCI works closely with the Client during the initial setup and establishment phase. PCI helps the Client complete the necessary forms to establish accounts. Through the information gathering process, PCI assists the Client in determining risk tolerance and establishing investment objectives. After a thorough analysis of the Client's investment portfolio, PCI presents its findings and makes recommendations. PCI also helps the Client to create an Investment Policy Statement (IPS).

Portfolio Analysis ('PA'): The Portfolio Analysis process is designed to be an exhaustive review of the Client's investment portfolio. This service provides an in-depth analysis at the portfolio level, comparative to established benchmarks. The PA process drills down even further to provide an in-depth analysis of each individual investment related to established benchmarks. As appropriate, PCI may review elements of the Client's portfolio, such as: performance, asset allocation, historical returns of the established allocation and how it relates to a specified benchmark(s); current risk exposure comparative to Client's risk tolerance, investment objectives, account structure, a discussion of economic conditions, etc. PCI's analysis and findings will be prepared in a report and presented to the client.

The portfolio performance reporting component of this service includes those investments in the accounts listed on the Accounts Authorization form and that are held at National Financial Services, LLC (NFS) for which Securities Service Network, Inc. (SSN) is broker-dealer. The periodic individual investment level monitoring portion of this service includes those investments that are in our database.

Probationary Analysis Report ('PAR'): PCI's proprietary software system is used for the periodic monitoring of client investments. In the event an investment in the Client's portfolio fails the return and risk standards established in the Investment Policy Statement (IPS), that investment will be "placed on watch." If the investment stays "on watch" continuously for one year, it will be placed on probation. At the point an investment is placed on probation, PCI will conduct an in-depth analysis of that investment.

This research generally includes, but is not necessarily limited to the following: a review of the prospectus, a review of the most recent annual/semi-annual report, an interview with the fund manager or representative, an analysis of the fund's strategy and style in relation to its intended role within the Client's portfolio, an analysis of the fund holdings, etc. PCI will then present the PAR to the Client, discuss the findings and make recommendations.

Investment Search & Selection ('ISS'): The ISS is designed to find the best investment option(s), available to the Client, to meet an established strategic allocation within the Client's portfolio.

At the outset, PCI will help the Client develop an Investment Search Methodology (ISM) which is the initial step in the selection of an investment. Utilizing a proprietary Questionnaire designed to facilitate the Client's evaluation and selection of investment strategies, asset classes, types of investments, and time horizons, PCI and the Client will identify and define the parameters of the ISS.

The scope of the ISS can be open, limited, or custom and is generally determined by the custodial platform where the investment is held.

An open search includes all of the following: investment data retrieval from our database, investment data input into the Investment Services program (a proprietary software program developed as part of PCI's customized ISS process), input of the Client's elections as established in the ISM, calculations of the Investment Services program, analysis of the calculations of the Investment Services program, and recommendation of one investment.

A limited search includes all of the following: investment data retrieval from our database only if the ticker symbol of each investment is supplied electronically in a format dictated by the Adviser, investment data input into the Investment Services program only if the ticker symbol of each investment is supplied electronically in a format dictated by the Adviser, input of the Client's elections as established in the ISM, calculations of the Investment Services program, analysis of the calculations of the Investment Services program, and recommendation of one investment.

A custom search includes all of the following: input of the client's elections as established in the ISM, calculations of the Investment Services program, analysis of the calculations of the Investment Services program, and recommendation of one investment finalist.

Upon completion of the ISM, PCI will conduct an exhaustive search which includes both a quantitative and qualitative analysis.

The quantitative analysis will use established parameters to funnel the investment universe down to a specified number. PCI will then conduct a qualitative analysis on each investment option. Requesting more than ten (10) distinct investment options may incur the use of Investment Consultation hours and/or additional fees. Refer to the Consulting Fee disclosure section below for additional information.

The qualitative analysis generally includes: a review of the prospectus, a review of the most recent annual/semi-annual report, an interview with the fund manager or representative, an analysis of the fund's strategy and style as it relates to an established benchmark, an analysis of the fund holdings, an evaluation of the fees, etc. PCI's recommendation, along with the supporting analysis, is then presented to the Client.

The annual scope and frequency of these services is based upon the total portfolio value under engagement. There are ten defined tiers that progressively provide an increasing amount and frequency of services. A more detailed description of the amount and frequency of services provided for each of the ten tiers is provided in the RetireAdvisers® Portfolio COMPLETE Service Agreement. The ten tiers and their corresponding fee are listed below.

When a client's total portfolio value increases or decreases to a different tier level by June 30 of a calendar year, PCI will automatically increase or decrease the services being provided to the client to correspond to those services that are provided at the new tier level starting January 1 of the following calendar year, assuming that the asset level remains at the new tier level at this time. Portfolio contributions or distributions in excess of \$500,000 may result in an immediate service tier level change. In such a case written notification of the service tier change will be sent to the client at or before the effective date of the change.

CONSULTING FEES: PCI's fees for RetireAdvisers® Portfolio COMPLETE are billed in arrears on a quarterly basis according to the following fee schedule:

| <u>Total Portfolio Value</u> | <u>Advisory Fee</u> |
|------------------------------|---------------------|
| First \$500,000 | \$6,250 |
| Next \$500,000 | 0.600% |
| Next \$500,000 | 0.500% |
| Next \$500,000 | 0.400% |
| Next \$500,000 | 0.400% |

| | |
|--------------------------|--------|
| Next \$500,000 | 0.300% |
| Next \$500,000 | 0.150% |
| Next \$500,000 | 0.150% |
| Next \$1,000,000 | 0.150% |
| Greater than \$5,000,000 | 0.050% |

A total minimum fee of \$6,250 is required for RetireAdvisers® Portfolio COMPLETE. This minimum fee may prevent PCI from providing these services to individuals with less than \$500,000 in assets. PCI retains the discretion to reduce the minimum annual fee. PCI retains the discretion to modify the terms of client engagement, including the schedule of fees and services, by giving the client not less than 30 days prior written notice of such change.

Asset based fees are charged on all assets including, but not limited to, all marketable securities, mutual fund shares, certificates of deposit, limited partnerships, unit investment trust shares, and amounts invested in variable annuity and variable insurance products and are based on the value of such assets determined as of the last day of the billing quarter (referred to as "total portfolio value"). Fees will begin on the 15th day following the date the client signs the service agreement. Fees are due within thirty days after each quarter end. PCI may, at its discretion, impose a service charge up to the maximum allowable by Missouri law on late payments.

Furthermore, the amount of Investment Search and Selection services detailed in RetireAdvisers® Portfolio COMPLETE are negotiable in the first year of engagement.

RetireAdvisers® Portfolio COMPLETE clients may elect to utilize related persons of PCI, in their separate capacities as registered representatives of a broker-dealer, to execute recommended securities transactions.

Fees are offset by any compensation earned by Related Persons of PCI, and are credited to the client on the subsequent quarterly invoice. Although the receipt of such fees and their availability from different vendors may potentially create conflicts of interest, PCI endeavors to mitigate all such potentialities. See Item 11 below. Such compensation, if any, may be the result of naming Securities Service Network, Inc., member FINRA/SIPC, as broker-dealer. When such compensation is earned by Related Persons of PCI, PCI deducts an administrative fee equal to 10% of the compensation amount. This administrative fee helps offset the costs borne by PCI and its Related Persons due to incurring broker-dealer charges, complying with applicable FINRA rules and regulations, and accounting for and documenting the compensation.

If there are any advisory fees due, after credit has been applied, such fee(s) are billed in accordance with the terms set forth in the service agreement. If the applied credit is in excess of the fee, PCI remits such excess amount to the client.

Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Investment Consultation Hours (IC hours): IC hours provide the client optimal flexibility to engage PCI for additional work that exceeds the services listed above. The client may use IC hours to request services in addition to those listed above (i.e., additional ISS or PAR) or to request customized research projects. This provides added value to the client so that additional work may be done to address any specific needs or concerns. PCI may offer assistance as to proxy matters upon a client's request, but the client always retains the responsibility for voting proxies.

The actual numbers of IC hours that are automatically incorporated into this service are determined based on the total portfolio value of the client's account(s) as reflected in the above table.

RetireAdvisers® Portfolio COMPLETE clients may also retain PCI to provide additional consulting services on an as-needed basis under one of the following fee options:

Project Fees: This option is designed to allow the client the flexibility to request the assistance of PCI on specific projects that fall outside of or in addition to the RetireAdvisers® Portfolio COMPLETE services defined above.

The client and PCI outline the specific details of the project as well as the agreed upon flat fee amount for each project that is requested by the client. Fees are determined based on the nature, size and scope of the services to be provided as well as the individual conducting the work.

Hourly Fees: This option is designed to allow the client the flexibility to request the assistance of PCI on hourly type projects that fall outside of or in addition to the RetireAdvisers® Portfolio COMPLETE services defined above. After consulting with the client, PCI provides an estimate of the number of hours needed to complete this project; however, as this is an estimate, the actual number of hours spent and thus subsequently invoiced may be more or less than the original estimate. PCI's Consulting fees currently range from \$65 to \$250 per hour, in quarter hour increments, and are determined based on the nature and complexity of each client's circumstances, as well as the individual conducting the work. This service is billed on a quarterly basis for RetireAdvisers® Portfolio COMPLETE clients. Other clients are billed monthly.

RetireAdvisers® Guidance Now

RetireAdvisers® Guidance Now is an educational service that is available to retirement plan participants of plan sponsors. If the retirement plan sponsor has contracted for the RetireAdvisers® Guidance Now service, PCI will be available via telephone and e-mail to provide educational information regarding the retirement plan to plan participants. For this

service program, PCI provides phone number and e-mail contact information to be distributed to plan participants who may submit questions or requests for information to PCI. PCI staff is generally available to plan participants during normal business hours. PCI does not impose a limit on the amount of calls or e-mails that any plan participant, or all plan participants, collectively, for a particular plan sponsor client may make.

The RetireAdvisers® Guidance Now service continues indefinitely unless and until terminated. This service may be terminated by either party with thirty (30) days prior written notice to the other party.

The fee charged for the RetireAdvisers® Guidance Now service is calculated on a calendar year basis using the following formula:

Eight (8) base hours plus one twelfth ($1/12$ or .083) of an hour for each participant with an account balance. Both active and terminated employees with an account balance are included as participants.

For the first calendar year that this service is provided, the number of hours will be based upon the number of participants as of the date the plan sponsor client executes the Additional Services Authorization for RetireAdvisers® Guidance Now and the number of hours is prorated for the time remaining in the calendar year, rounded to the nearest month. Each subsequent calendar year, the number of participants with balances is determined as of December 31st of the previous year. For CORE COMPLETE clients, the number of hours billed is reduced by any remaining Participant Education hours at the time of the billing period. The fees billed for the RetireAdvisers® Guidance Now service are billed in accordance with the terms stipulated in the plan sponsor client's Service Agreement.

The RetireAdvisers® Guidance Now hours calculated according to the formula stated above are charged at the following rates:

| Annual Hours Calculated | Hourly Rate |
|-------------------------|-------------|
| 1-25 | \$150 |
| 26-50 | \$125 |
| 51-100 | \$110 |
| 101-250 | \$95 |
| 251-500 | \$80 |
| 501+ | \$65 |

LIMITED INDIVIDUAL ADVISORY SERVICES

PCI may also, from time to time, provide limited individual investment advice. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. PCI also provides specific

consultation and administrative services regarding investment and financial concerns of the client. PCI may offer assistance as to proxy matters upon a client's request, but the client always retains the responsibility for voting proxies.

Additionally, PCI provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

FEES: Consulting fees are charged in one or both of two ways: 1) As a fixed fee, to be determined based on the nature of the services to be provided, and/or 2) on an hourly basis, ranging from \$65 to \$250 per hour.

Fees are determined based on the nature and complexity of each client's circumstances, as well as the individual conducting the work. All fees are agreed upon prior to entering into a contract with any client.

A retainer may be requested upon completion of PCI's fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance will be billed on a monthly basis.

GENERAL INFORMATION

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains or upon capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).

Minimum On-Site Fees: PCI has established a minimum on-site requirement of 3 hours for Institutional Clients, which is non-negotiable. Consequently, Institutional Clients are billed for 3 hours at the agreed upon rate if the on-site time is less than 3 hours. On-site meetings that exceed this 3 hour minimum are billed based on actual time.

Termination of Agreement: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Any notice of termination of this Agreement shall be deemed to have been duly given when delivered in person, or sent by facsimile transmission (with hard copy sent by U.S. mail), sent by electronic e-mail (with hard copy sent by U.S. mail), sent by overnight courier (postage prepaid), or three days after mailing by registered mail (postage prepaid). All termination notices to PCI should be sent to PCI's principal office address or at such other address as PCI may designate in writing.

Termination will not affect any liability regarding transactions initiated before the termination date. If either party terminates the agreement, PCI will be under no obligation to recommend any further action as to the liquidation or investment of any securities or other investments, and PCI will have no liability for client's continuing to follow any investment recommendations made by PCI prior to the date of termination.

If either party terminates this Agreement during a billing quarter, a CORE COMPLETE, Investment COMPLETE, ERISA COMPLETE, or RetireAdvisers® Portfolio COMPLETE client will be billed and will pay a pro-rated portion of fees earned by PCI through the date of termination based on the number of elapsed days in the quarter and on the total plan or portfolio value on the date of termination.

If a RetireAdvisers® **Plan Participant** client terminates their agreement during a billing quarter, the advisory fee due will be based on the services provided through the date of termination.

For CORE COMPLETE, Investment COMPLETE, or ERISA COMPLETE clients, if the Agreement is canceled within fifteen (15) days of the client's execution date, PCI will refund any fees paid, less any fees or charges incurred as a result of the investment of any assets during that time.

RetireAdvisers® **Plan Participant** or RetireAdvisers® Portfolio COMPLETE clients may terminate the agreement without financial penalty within fifteen (15) business days after entering into the agreement.

Mutual Fund Fees: All fees paid to PCI for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of PCI. In that case, the client would not receive the services provided by PCI which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by PCI to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees. The fees charged by PCI, whether hourly, a percentage of assets, or based upon a project quote, may be in addition to custodial, legal, accounting or record keeping costs charged by third parties or the cost of purchasing or owning securities, no-load mutual fund shares, or insurance products, such as commissions, management fees, 12b-1 fees and clearing charges.

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

Item 6 is not applicable to PCI. PCI does not charge or accept performance-based fees. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

Pension Consultants generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations

All clients are required to execute an agreement for services in order to establish a client arrangement with PCI.

Minimum Investment Amounts Required

CORE COMPLETE, INVESTMENT COMPLETE, and ERISA COMPLETE: PCI requires a minimum annual fee of \$13,500 for its CORE COMPLETE services, \$8,500 for its Investment COMPLETE services, and \$11,000 for its ERISA COMPLETE services. These minimum fees may prevent PCI from rendering its services to the sponsors of smaller plans. Pre-existing pension and profit sharing plans are not subject to these minimum requirements.

RetireAdvisers® Plan Participant: PCI will charge an account set-up fee of \$25 for each plan participant at the time the Participant's service agreement is received by PCI. PCI's account set-up fees are non-negotiable. This fee is payable by either the Plan Sponsor or the Participant as agreed upon in the service agreement.

RetireAdvisers® Portfolio COMPLETE: PCI requires a minimum annual fee of \$6,250 for RetireAdvisers® Portfolio COMPLETE. This minimum fee may prevent PCI from providing these services to clients whose accounts are less than \$500,000 in assets. PCI retains the discretion to reduce the minimum annual fee.

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

Our Guiding Principles for Investment Analysis, Recommendations, and Decisions:

PCI's primary evaluation focus is on analysis of money managers, with a secondary focus on analysis of individual securities. We have established philosophical principles and investment level principles intended to guide the investment advice that we provide. We are guided by philosophical principles on portfolio construction, diversification, market timing, and management style (active vs. passive). We are guided by investment level principles on investment companies, investment funds, and fund managers. Our philosophical principles and investment level principles are described below.

Philosophical Principles:

Portfolio Construction

We believe an investment portfolio should be diversified. An investment portfolio should be constructed by bringing together asset classes that are imperfectly correlated. Each

investment should be added to a portfolio based on the net benefit it adds to the overall portfolio. We believe that combining these imperfectly correlated asset classes will reduce the overall risk of a portfolio given a desired rate of return and will increase the return of a portfolio given a desired level of risk. We acknowledge that there are some limitations associated with the use of this concept; primary among them is the use of historical data that these relationships are predicated on. While we acknowledge that historical performance is limited in its ability to predict future correlations and returns, we believe this approach to portfolio construction to be pragmatic and in accordance with generally accepted investment principles.

Diversification

In identifying imperfectly correlated asset classes, we believe in segmenting both equity and fixed income markets. We believe the most effective way to delineate equity asset classes is on the basis of style, level of capitalization and whether the equity investment is foreign or domestic. We also believe the most effective way to delineate fixed income investments is on the basis of credit quality, maturity, issuer (i.e. public or private) as well as whether the fixed income investment is domestic or foreign. We acknowledge that there are differing ways in which diversification may be achieved within an investment portfolio (e.g. sector, industry). However, we believe that segmenting equity and fixed income markets as described in the aforementioned statements is effective, pragmatic and in accordance with generally accepted investment practices.

Market Timing

In general we do not believe in timing the market overall nor do we believe in timing any specific asset class. While we do not believe the markets are perfectly efficient, we do believe the markets are mostly efficient most of the time. One of the primary reasons we are opposed to market timing is the multiplicity of correct investment decisions that must be made in order to time the market correctly. An investor must not only be able to sell assets at the correct time, but must also be able to subsequently purchase assets at the proper time. We believe that the multiple accurate decisions add yet another barrier to effective market timing.

We acknowledge however, that there are times when the market's inefficiencies are more apparent. During these infrequent periods, timing a specific segment of the market may be beneficial.

Active vs. Passive Managed Investments

We believe it is important to construct a portfolio comprised of asset classes that are imperfectly correlated. We have no preference with respect to how those asset classes are represented; actively managed investments or passively managed investments. We believe that passively managed investments will outperform the majority of actively managed investments of the same asset class. However, we also believe, that actively managed investments exist which consistently outperform their passively managed counterparts of the same asset class.

We believe it is incumbent upon the actively managed investment to prove that it can consistently demonstrate superior risk adjusted returns over its passively managed counterpart; otherwise, the passively managed investment would be preferred.

Investment Level Principles:

Investment Companies

We prefer investment companies that are free from, and committed to the avoidance of, conflicts of interest. We desire investment companies that possess stable management and have been in existence for a significant period of time. We favor investment companies that maintain a corporate culture consistent with professionalism, transparency and high moral standards. We desire investment companies that place emphasis on shareholder's rights.

We prefer investment companies that align a meaningful amount of a fund manager's compensation to consistent long term investment outperformance and do not reward undue risk taking. We desire investment companies with easily understood investment philosophies (e.g. quantitative, qualitative) that are clearly defined and well communicated. We prefer research driven investment companies that use proprietary, qualitative, fundamental research.

We believe the resources (i.e. infrastructure) an investment company provides, contribute to the success of a given portfolio and/or portfolio manager. We believe that one of these critical resources is a robust research staff. We prefer investment companies that maintain proportionately large research departments and whose investment personnel are highly credentialed, experienced and offer a breadth of expertise.

Investment Funds

We prefer pooled investment funds that clearly state their investment objective and investment style. We desire pooled investment funds that have meaningful fundamental and non-fundamental policies that support the stated investment objective and investment style.

We give preference to investments that are diversified among industries and sectors and remain true to their stated asset class. With all things equal, we favor investments that maintain low expense ratios. In general we are opposed to investments that use excessive amounts of leverage or derivatives.

Fund Managers

We prefer fund managers that have clearly delineated responsibilities for their portfolio. We desire fund managers that are highly credentialed and have a meaningful amount of their personal assets in the investments they manage. We also prefer investment

managers that have managed the current investment for a significant amount of time and have consistently achieved success as defined by high risk adjusted returns compared to similar investments. With all things equal, we support managers that maintain compact portfolios and have relatively low turnover.

We prefer fund managers that have a clearly defined investment philosophy. We prefer managers that have a defined universe of securities from which they select their portfolio. In addition, we give preference to managers that can clearly communicate their strategies for both buying and selling investments within their portfolio.

In addition to following our philosophical and investment level principles, PCI may use the following methods of analysis in formulating investment advice:

Charting - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Cyclical. Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

Fundamental. A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical. A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that

can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

PCI uses the following investment strategies when providing investment advice:

Long term purchases. Investments held at least a year.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including 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 may 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. There are certain additional risks associated when investing in securities.

- 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 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 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 may be 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 – Investments in an ETF or mutual fund bear additional expenses based on the pro rata share of the ETFs or mutual fund's operating expenses, including the potential 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. You 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

PCI is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management. In June 2005, the Missouri Division of Securities issued a Consent Order to Brian Allen, the President of PCI, as resolution to allegations that Pension Consultants, Inc., Brian Allen and Christopher Thixton engaged in unregistered activity. As stipulated in the Consent Order, Brian Allen and Christopher Thixton, based upon assurance of counsel, had understood that they were properly registered as investment adviser representatives in Missouri. Upon recognition that their investment adviser representative registrations were deficient, Messrs. Allen and Thixton self-reported the deficiency to the State of Missouri. Registration as investment adviser representatives for each Mr. Allen and Mr. Thixton was subsequently approved by the Missouri Division of Securities. As part of the resolution, a total fine of \$3,000 was paid to the Missouri Investor Education and Protection Fund.

Item 10 – Other Financial Industry Activities and Affiliations

PCI is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) 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), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7)

lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

OTHER BUSINESS ACTIVITIES

PCI is a SEC registered investment adviser. As discussed above, PCI provides a broad range of services to pension and profit sharing plans, their sponsors, plan participants, and other individuals and families.

Certain of these services, including PCI's ERISA and Vendor Services, do not involve the giving of investment advice. Vendor Services includes a broad range of services to assist pension and profit sharing plan sponsors to identify and evaluate third- party vendors that will provide necessary support services to the plan. The fees charged for such services are separate and distinct from the advisory fees earned by PCI. No client is obligated to utilize PCI for this service, nor is any non-advisory client obligated to utilize the advisory services of PCI.

As part of its service to clients, PCI will from time to time recommend that clients purchase or sell securities, including stocks, bonds, mutual funds and variable insurance and annuities. Although clients of PCI ultimately decide how to implement these recommendations, securities and insurance products may be purchased through related persons of PCI. These related persons are licensed to sell securities through Securities Service Network, Inc. (SSN). SSN is a broker-dealer registered with the Securities and Exchange Commission and is a member of FINRA. Related persons of PCI are also licensed through various insurance agencies to sell insurance products.

To the extent that a client of PCI elects to implement PCI's advice with respect to the purchase or sale of securities or insurance products through a related person, the related person will receive a portion of any commissions generated in connection with these transactions. Fees will be offset by any compensation earned by related persons of PCI, and shall be credited to the client on the subsequent quarterly invoice. Please see Items 5 and 14 for a full description of compensation earned by related persons of PCI. Related persons of PCI may spend as much as 15% of their time with Other Business Activities.

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

Code of Ethics Summary

PCI has adopted a Code of Ethics that sets forth high ethical standards of business conduct that PCI requires of its employees, including compliance with applicable federal securities laws. Our Code of Ethics also includes policies and procedures for the review of quarterly securities transaction reports as well as initial and annual securities holdings reports that must be submitted by PCI's covered persons. Among other things, PCI's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also includes oversight, enforcement and recordkeeping

provisions. A copy of PCI's Code of Ethics is available to PCI's advisory clients upon request to the Chief Compliance Officer at PCI's principal office address.

Affiliate and Employee Personal Securities Transactions Disclosure

PCI or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of PCI that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. PCI and its associated persons shall 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 his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by PCI are widely held and publicly traded.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of PCI. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible.

Brokerage Recommendations

With respect to advisory clients that are accounts regulated under the Employee Retirement Income and Security Act (ERISA), PCI provides general investment advice about, among other things, the merits and risks of several investment alternatives. PCI has no discretionary authority or control, whatsoever, with respect to ERISA or IRA accounts. The named Plan fiduciary must make the investment decision about the purchase of any products based on his/her understanding of the Plan's needs and objectives, and PCI is in no way responsible for the ultimate investment decisions. The Plan fiduciary is free to seek independent advice about the appropriateness of any investment for the Plan.

As previously disclosed, related persons of PCI may be registered representatives of Securities Service Network, Inc. (SSN), a FINRA registered broker-dealer. Related persons of PCI may suggest to PCI's clients that recommendations to purchase or sell securities may be effected through SSN. If securities are purchased or sold through SSN, the related person who effects such transactions will be paid a portion of any commissions received by SSN. PCI believes that the commissions charged by SSN are fair and comparable to those charged by other broker-dealers to execute similar transactions.

Any advisory fees PCI receives for ongoing advisory services to (ERISA or other) accounts are reduced by the amount of any compensation that related persons receive that are attributable to these accounts.

Handling Trade Errors.

PCI has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of PCI 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 any loss resulting from the trade error will be absorbed by PCI if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for handling the trade error. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. PCI may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

PCI will never benefit or profit from trade errors.

Block Trading Policy

Transactions implemented by PCI for client accounts are generally effected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by the firm when PCI believes such action may prove advantageous to clients. PCI does not aggregate orders as our advice is customized to each client and typically limited to mutual fund holdings.

Item 13 – Review of Accounts

Account Reviews and Reports

Clients are strongly urged to compare any reports received from PCI against their brokerage account statements received from the account custodian. Discrepancies between the reports received from PCI and the statements received from the account custodian should be reported to Advisor and the account custodian immediately.

CORE COMPLETE and Investment COMPLETE

INVESTMENT REVIEWS: The client will receive a thorough review of the investments no less than semiannually. The review will compare actual return and risk performance with the stated objectives and standards outlined in the plan sponsor client's Investment Policy Statement. If those standards are not met, that investment will be "placed on watch".

If the investment stays on watch continuously for one year it will be placed on probation and a more in-depth review will be performed for the purpose of determining if the investment should be

retained or replaced. The Investment Committee of PCI will determine the investment recommendations. Clients may also contract with PCI for more frequent reviews.

REPORTS: Clients are provided detailed reports listing: account values, comparison data, charts, research materials and recommendations as appropriate. PCI will provide such reports according to the agreed upon time intervals established in the service agreement.

ERISA COMPLETE

ERISA COMPLETE clients do not receive investment reviews or reports. Reports to ERISA COMPLETE clients are limited to ERISA technical matters.

RetireAdvisers® Plan Participant

REVIEWS: In accordance with regulatory requirements, PCI will undergo an annual audit by a qualified, independent consultant to verify compliance with The Pension Protection Act of 2006. PCI will not provide ongoing monitoring or reviews of Plan Participant accounts.

REPORTS: In accordance with regulatory requirements, PCI will annually provide a copy of their compliance report to each Plan Sponsor that is offering this service to its participants. PCI will provide the Participant with a report reflecting PCI's investment recommendations.

RetireAdvisers® Portfolio COMPLETE

INVESTMENT REVIEWS: The client will receive a thorough review of the investments on an annual or semi-annual basis, depending upon the amount of engaged assets in the client's account.

The review will compare actual return and risk performance with the stated objectives and standards outlined in the client's Investment Policy Statement. If those standards are not met, that investment will be placed on watch. If the investment stays on watch continuously for one year, it will be placed on probation and a more in-depth review will be performed for the purpose of determining if the investment should be retained or replaced.

The Investment Committee of PCI will determine the investment recommendations. Clients may also contract with PCI for more frequent reviews.

REPORTS: Clients are provided detailed reports listing: account values, comparison data, charts, research materials and recommendations as appropriate. PCI will provide such reports according to the agreed upon time intervals established in the service agreement.

LIMITED INDIVIDUAL ADVISORY SERVICES

REVIEWS: These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

REPORTS: Limited Individual Advisory Services clients may or may not receive reports from PCI depending on the nature of the advice given.

Item 14 – Client Referrals and Other Compensation

As previously disclosed, certain related persons of PCI are also licensed to sell insurance products for which they will earn separate yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients.

The principal executive officers and other employees of PCI may, from time to time, receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies.

Mutual funds may make "Revenue Sharing" or "Expense Reimbursement" payments to brokers and custodians, which may forward fees to PCI, or mutual funds may make such payments directly to PCI.

All payments made by PCI to third parties on behalf of any client receiving advisory services from PCI will be fully disclosed to the client and will be used to offset asset-based advisory fees otherwise payable to PCI from the client subject to the deduction by PCI of a ten percent (10%) administrative fee up to 5 basis points of the total advisory fee due from client.

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. In other words, 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.

PCI is deemed to have custody of client funds and securities whenever PCI is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Pension Consultants will ever maintain. For most of our advisory services, the client is requested to pay advisory fees upon receipt of a billing invoice. However, our advisory fees are directly deducted from the client's account for clients who have contracted for RetireAdvisers® Portfolio COMPLETE services. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which PCI is 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 establishment 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 PCI. When clients have questions about their account statements, they should contact PCI or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

Upon receiving written authorization from a client, PCI will maintain trading authorization over certain client accounts. PCI maintains non-discretionary trading authorization for certain CORE COMPLETE, Investment COMPLETE, and RetireAdvisers® Portfolio COMPLETE clients. PCI's authority to implement trades on a **non-discretionary** basis means that PCI is required to contact the client prior to implementing changes in the client's account. If you have granted non-discretionary trading authority to PCI, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be 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 are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients 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

PCI will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in your accounts.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm.

Although we do not vote client proxies, we do offer consulting and research services to pension and profit sharing Plan Sponsor clients to assist them in managing and fulfilling their proxy voting

responsibilities. PCI's Proxy Consulting and Research Services are offered solely for plan assets invested in mutual funds. Clients may contract with PCI to develop appropriate proxy policies and procedures, including among other things, compliance with the plans written statement of investment and / or proxy policy, delegation of proxy voting authority, procedures for monitoring mutual fund governance, proxy voting research and consultation.

Also, PCI may offer assistance as to proxy matters upon a client's request, but the client always retains the responsibility for voting proxies. You may contact us if you have a question about a particular proxy.

Item 18 – Financial Information

This item is not applicable to this brochure. PCI does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our 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, PCI has not been the subject of a bankruptcy petition at any time. *(Please refer to Information Required by Part 2B of Form ADV: Brochure Supplement for more information).*