

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

**TCG Investment Advisory, Inc.**

1132 Hamilton Street  
Suite 212  
Allentown, Pennsylvania 18101

Telephone: 610-821-1331  
Email: [SwartleyT@univest.net](mailto:SwartleyT@univest.net)

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This brochure provides information about the qualifications and business practices of TCG Investment Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at 610-821-1331 or [SwartleyT@univest.net](mailto:SwartleyT@univest.net). 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 TCG Investment Advisory, Inc. is also 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 a CRD number. Our firm's CRD number is 117901.

## **Item 2      Material Changes**

The SEC adopted "Amendments to Form ADV" in July 2010. This Firm Brochure, dated March 16, 2012, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### **Item 4 Advisory Business**

TCG Investment Advisory, Inc. (TCG) is a SEC-registered investment adviser with its principal place of business located in Pennsylvania. TCG Investment Advisory, Inc. began conducting business in 1996.

Listed below are the firm's principal shareholders (those individuals and/or entities controlling 25% or more of this company):

- **UNIVEST CORPORATION OF PENNSYLVANIA**

TCG Investment Advisory, Inc. offers the following advisory services to our clients:

#### **PORTFOLIO MANAGEMENT**

TCG provides *Investment Supervisory Services*, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, TCG develops a client's personal investment strategy and creates and advises a portfolio based on that strategy. TCG provides this service to local government entities and their pension plans. TCG will manage advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income or growth and income).

TCG will create a portfolio consisting of one or all of the following: individual equities, bonds, ETFs, variable annuity products and/or mutual funds. TCG will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. All investments will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's money manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

#### **MONEY MANAGER SEARCH AND MONITORING**

When TCG's advisory services are not suitable for a client, TCG may perform management searches of various independent registered investment advisers, who may pay referral fees to TCG, on behalf of a client. Based on a client's individual circumstances and needs, TCG will determine which independent adviser's portfolio management service is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the independent adviser. Clients should refer to the

independent adviser's disclosure document for a full description of the services offered. TCG will meet with the client on a regular basis, or as determined by the client, to review the account.

If TCG believes that a particular independent adviser is performing inadequately, or if TCG believes that a different money manager is more suitable for a client's particular needs, then TCG may suggest that the client contract with a different adviser. Under this scenario, TCG will assist the client in selecting a new adviser, and then monitor that adviser's performance. However, any move to a new money manager is solely at the discretion of the client. TCG will recommend the use of advisers that pay TCG a referral fee and advisers that do not pay referral fees.

## **SELECTION AND MONITORING OF SERVICES**

TCG provides several advisory services separately or in combination. Selection and Monitoring Services are comprised of four distinct services. Clients may choose to use any or all of these services.

### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

TCG will meet with the client (in person or over the telephone) to determine the client's investment needs and goals. TCG will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

### *Selection of Investment Vehicles:*

TCG will review various investments, consisting of a combination of one or all of the following: individual equities, bonds, ETFs, variable annuity products and/or mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the Investment Policy Statement.

### *Monitoring of Investment Performance:*

Client investments will be monitored continuously based on the procedures and timing intervals delineated in the Investment Policy Statement. Although TCG will not be involved in any way in the purchase or sale of these investments, TCG will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### *Employee Communications:*

For pension and defined contribution 457 plan clients wherein there are individual accounts with participants exercising control over assets in their own account ("self-directed plans"), TCG also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by TCG and the client. The educational support and investment workshops

will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2011, TCG was actively managing \$126,867,975 of clients' assets on a discretionary basis.

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

### **PORTFOLIO MANAGEMENT**

The annual fee schedule for investment supervisory services will be charged as a percentage of assets under management, according to the schedule below:

<i>Assets Under Management</i>	<i>Annual Fee (%)</i>
Up to \$150,000	2.00%
\$150,000 - \$499,000	1.50%
\$500,000 - \$999,999	1.00%
\$1,000,000 - \$1,499,999	0.80%
\$1,500,000 and over	negotiable

Requests for fee liquidation are handled through a third-party administrator, transfer agent, or custodian of plan assets.

All fees for this service are paid each quarter in advance and are based on the value of all assets (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), being managed on the client's quarterly anniversary. There is a minimum account size requirement of \$100,000 for this service. This minimum account size may be negotiable under certain circumstances.

### **MONEY MANAGER SEARCH AND MONITORING**

Contractually if applicable, TCG may be paid by the independent adviser for whom it solicits, based on a percentage of the client's managed assets (ranging from .25% to 1.25%), which is included in the independent investment adviser's annual management fee, depending on the size of the account. The management fee is disclosed in the independent investment adviser's disclosure document (Part 2A of Form ADV or other disclosure document in lieu of Part 2A).

### **SELECTION AND MONITORING SERVICES**

Selection and Monitoring Services fees will be charged in one of two ways:

1. As a fixed fee, typically ranging from \$500.00 to \$2,500.00, depending on the nature and complexity of each client's circumstances.

2. On an hourly basis, ranging from \$120.00 to \$200.00 per hour, depending on the nature and complexity of each client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship. 50% of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon completion of the service.

If the client utilizes TCG for portfolio management services, TCG may waive the costs of these pension consulting services in lieu of the annual portfolio management fees. TCG reserves the right to negotiate the fees for these services on a case-by-case basis.

## **GENERAL INFORMATION**

***General Information on Fees:*** In certain circumstances, all fees and account minimums may be negotiable. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)). All fees paid to TCG for investment advisory services are separate and distinct from the fees and expenses that are paid by clients who purchase individual equities, bonds, ETFs, variable annuity products and/or mutual funds. These fees and expenses are described in each FINRA-regulated product's prospectus. These fees will generally include asset management fees and money manager expense charges. In addition, clients may typically pay third party pension administrative expense fees from the funding options within a pension variable annuity product. Clients should consider that, depending upon the level of fees charged and the value of the third party pension administrative benefits offered by a variable annuity product, the applicable fees and costs associated with a variable annuity product may exceed the aggregate costs associated with a direct investment in a mutual fund without any compensation being paid to a third party pension administrative firm.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days' written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to TCG Investment Advisory, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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 our services. In that case, the client would not receive the services provided by our firm 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 our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisors, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

TCG Investment Advisory, Inc. does not charge performance-based fees.

## **Item 7 Types of Clients**

TCG Investment Advisory, Inc. provides services to the following types of clients:

- Non-ERISA Pennsylvania municipal government entities

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:



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

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

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

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

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

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class

A risk in long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Risk of loss.*** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

TCG is an SEC-registered investment adviser. Additionally, Timothy V. Swartley, Senior Vice President of TCG, and Ronald H. Bittner, are also separately registered representatives of Univest Investments, Inc., an affiliate of TCG and a FINRA-registered broker dealer. Furthermore, Mr. Swartley is a third party pension administrator for various insurance companies and for Allied Benefits Group, LLC, a Pennsylvania licensed insurance agency and an affiliate of TCG. As such, Mr. Swartley and Mr. Bittner, in their separate capacities as registered representatives, may be able to effect securities compensation for effecting such transactions which is separate and distinct from fees paid to TCG for advisory services.

While TCG and Mr. Swartley and Mr. Bittner endeavor at all times to put the interests of its clients first as part of our fiduciary duty as an investment adviser, clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

Mr. Swartley and Mr. Ronald Bittner are Senior Pension Consultants of Univest Municipal Planning Services, an actuarial, administrative and consulting/compliance company that exclusively provides services to non-ERISA Pennsylvania Act 205 municipal pension plans.

These individuals may spend as much as 45% of their time with all of these related non-ERISA pension activities. Revenues earned for these non-ERISA pension services cannot be paid from fees charged by TCG.

TCG 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 to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for TCG and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees of affiliated companies;
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so we may ensure any conflicts of interest in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify any conflicts of interest continue to be properly addressed by our 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.

As previously disclosed, TCG may recommend the services of various registered investment advisers to its clients with our Money Manager Search and Monitoring. In exchange for this recommendation, TCG may receive a referral fee from the selected investment adviser. The fee received by TCG is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to TCG does not increase the total advisory fee paid to the selected investment advisor by the client. TCG does not charge the client any fees for these referrals. TCG will only recommend advisers that pay us a referral fee. TCG is aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

Clients should be aware that the receipt of additional compensation by TCG and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. TCG endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. TCG takes the following steps to address this conflict with our Money Manager Search and Monitoring:

- We disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers;

- We disclose to the client in a separate disclosure document the compensation we receive in exchange for the client's referral to the selected investment adviser;
- We conduct initial and periodic due diligence on the selected investment advisors to establish that the advisers are suitable to recommend to our clients; 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.

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

TCG has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal and state securities laws.

TCG and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

TCG's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our 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 provides for oversight, enforcement and recordkeeping provisions.

TCG's Code of Ethics includes the firm's policy of prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of Ethics is available to our clients and prospective clients. You may request a copy by email sent to [SwartleyT@univest.net](mailto:SwartleyT@univest.net), or by calling 215-721-2453.

TCG's Code of Ethics is designed to assure the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

TCG and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby

preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

TCG may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, TCG will allocate all purchases prorata, with each account paying the average price. TCG employee accounts will be excluded in the prorata allocation.

As these situations represent actual or potential conflicts of interest to our clients, TCG has established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of TCG are separately registered as securities representatives of a broker dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an

insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12      Brokerage Practices**

### **PORTFOLIO MANAGEMENT**

Timothy V. Swartley, Senior Vice President of TCG, is separately registered as a representative of Univest Investments, Inc. (“UNIVEST”), a broker dealer and FINRA member firm. For clients in need of brokerage or custodial services, TCG may recommend the use of UNIVEST or the Trust Department of Univest Bank and Trust Co., provided TCG can meet its fiduciary obligation of best execution. Both UNIVEST and the Trust Department of Univest Bank and Trust Co. are affiliates of TCG. Both UNIVEST and the Trust Department of Univest Bank and Trust Co. are required to supervise the securities trading activities of its representatives. Clients may request the brokerage transactions be directed to a particular broker dealer. However, if UNIVEST or the Trust Department believes the use of that broker dealer would hinder either company from meeting its supervisory obligations, TCG will not be able to accept the account. In directing the use of a particular broker or dealer, it should be understood that TCG will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

For clients utilizing individual securities in their portfolios, TCG requires these clients to provide us with written authority to determine the broker dealer to use and the commission cost that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

TCG will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow TCG to execute equity trades in a timelier, more equitable manner, at an average share price. TCG will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. TCG’s block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client’s advisory agreement with TCG or our firm’s order allocation policy.

2. The trading desk, in concert with the portfolio manager, must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable TCG to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction cost may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. TCG's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on TCG's records and to the broker dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

### **MONEY MANAGER SEARCH AND MONITORING**

Clients should refer to the disclosure document(s) of recommended advisors for information on the brokerage recommendations for those entities. No recommended advisor will place trades with Univest Investments, Inc. as a broker dealer.

## **SELECTION AND MONITORING SERVICES**

TCG may recommend the use of UNIVEST to clients for implementation of Selection and Monitoring Service recommendations, provided this recommendation is consistent with TCG's fiduciary duty to the client. Any commissions or other compensation received from the implementation of recommendation is separate and distinct from TCG's advisory fee. No Selection and Monitoring client is obligated to use UNIVEST to implement any recommended transactions. TCG will not be involved in any way in the purchase or sale of investments for Selection and Monitoring clients.

### **Item 13      Review of Accounts**

## **PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Timothy V. Swartley, Senior Vice President of TCG.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, we provide quarterly reports summarizing account performance, balances and holdings.

## **MONEY MANAGER SEARCH AND MONITORING**

**REVIEWS:** These client accounts should refer to the independent investment advisor's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the Money Manager Search and Monitoring and nature and frequency of reviews provided by that independent registered investment advisor.

These accounts are reviewed by: Timothy V. Swartley, Senior Vice President of TCG.

**REPORTS:** TCG will provide these client accounts with reports as contracted for at the inception of the advisory relationship.

## **SELECTION AND MONITORING SERVICES**

**REVIEWS:** TCG will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. TCG will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews generally occur quarterly.



These accounts are reviewed by: Timothy V. Swartley, Senior Vice President of TCG.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

#### **Item 14      Client Referrals and Other Compensation**

TCG may pay referral fees to independent persons or firms (“Solicitors”) for introducing clients to us. Whenever TCG pays a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- The Solicitor’s name and relationship with our firm;
- The fact that the Solicitor is being paid a referral fee;
- The amount of the fee; and
- The fee paid to us by the client will not be increased above our normal fees in order to compensate the Solicitor

As a matter of firm practice, the advisory fees paid to TCG by clients referred by solicitors are not increased as a result of any referral.

#### **OTHER COMPENSATION**

TCG and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While TCG endeavors at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individual when making recommendations.

#### **Item 15      Custody**

TCG previously disclosed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client’s custodian is advised of the amount of the fee to be deducted from that client’s account. On at least an annual basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their TCG quarterly statements to verify the accuracy of the calculation, among other things. Clients should contact TCG directly if they believe there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, TCG also sends account statements directly to our clients on a quarterly basis. TCG urges our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

TCG does not have actual or constructive custody of client accounts.

#### **Item 16 Investment Discretion**

Clients may hire TCG to provide discretionary asset management services, in which case TCG places trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

TCG's discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give TCG discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

TCG requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

Clients give TCG discretionary investment authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

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

As a matter of firm policy, TCG does not vote proxies on behalf of clients. Therefore, although TCG may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Univest does not offer any consulting assistance regarding proxy issues to clients.

**Item 18        Financial Information**

Under no circumstances does TCG require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, TCG is not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, TCG is also required to disclose any financial conditions that is reasonably likely to impair our ability to meet our contractual obligations. TCG has no additional financial circumstances to report.

TCG has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

**Timothy V. Swartley**

TCG Investment Advisory, Inc.

Allentown, Pennsylvania 18101

03/16/2012

This brochure supplement provides information about Timothy V. Swartley that supplements the TCG Investment Advisory, Inc. brochure. You should have received a copy of that brochure. Please contact Timothy V. Swartley if you did not receive the TCG Investment Advisory, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Timothy V. Swartley is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Item 2            Educational, Background and Business Experience**  
**Full Legal Name:** Timothy V. Swartley                      **Born:** 1972

**Education**

- Eastern Mennonite University, BA, Business Administration, 1994

**Business Experience**

- TCG Investment Advisory, Inc.; from 2011 to present.
- Univest Municipal Pension Services (formerly Trollinger Consulting Group); from 2011 to present.
- Registered Representative of Univest Investments, Inc. from 2000 to present.
- Senior Vice President of Univest Bank and Trust Co. from 2003 to present (employed since 1996).

**Item 3            Disciplinary Information**

Timothy V. Swartley has no reportable disciplinary history.

**Item 4            Other Business Activities**

A. Investment-Related Activities

Timothy V. Swartley is also engaged in the following investment-related activities:

- Registered representative of a broker dealer

Timothy V. Swartley is a registered representative of Univest Investments, Inc., a registered broker dealer, member FINRA and SIPC. In this capacity, Timothy V. Swartley may recommend investment products.

However, clients are under no obligation to act upon any recommendations of Timothy V. Swartley or to effect any transactions through him if they decide to follow the recommendations (unless they have granted our firm discretionary investment authority). Timothy V. Swartley does not limit his recommendations to products or services offered by the broker dealer and he ensures all recommendations are appropriate for a client's specific needs. Clients have the option to purchase investment products recommended through other broker dealers not affiliated with Timothy V. Swartley.

B. Non Investment-Related Activities

Timothy V. Swartley is a Senior Vice President and Senior Trust Officer of Univest Bank and Trust Co.

**Item 5          Additional Compensation**

Timothy V. Swartley does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6          Supervision**

Kenneth D. Hochstetler is responsible for all supervision and monitoring of investment advice offered to clients by Mr. Swartley. He can be reached at 610-821-1331. While the underlying securities within accounts are continually monitored by each custodian, Kenneth D. Hochstetler reviews these accounts at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**Part 2B of Form ADV: *Brochure Supplement***

**Ronald H. Bittner**

TCG Investment Advisory, Inc.

Allentown, Pennsylvania 18101

03/16/2012

This brochure supplement provides information about Ronald H. Bittner that supplements the TCG Investment Advisory, Inc. brochure. You should have received a copy of that brochure. Please contact Timothy V. Swartley if you did not receive the TCG Investment Advisory, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Ronald H. Bittner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Born:** 1963



#### D. Non Investment-Related Activities

Ronald H. Bittner is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

#### **Item 5          Additional Compensation**

Ronald H. Bittner does not receive any economic benefit from a non-advisory client for the provision of advisory services.

#### **Item 6          Supervision**

Timothy V. Swartley is responsible for all supervision and monitoring of investment advice offered to clients by Mr. Bittner. He can be reached at 610-821-1331. While the underlying securities within accounts are continually monitored by each custodian, Timothy V. Swartley reviews these accounts at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.