



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

**BILKEYKATZ INVESTMENT CONSULTANTS, INC.**

**411 Seventh Avenue  
Suite 1425  
Pittsburgh, PA 15219**

**Telephone: (412) 803-9900  
Facsimile: (412) 803-9994**

**Email: [info@bilkeykatz.com](mailto:info@bilkeykatz.com)**

**Web: [www.bilkeykatz.com](http://www.bilkeykatz.com)**

**03/28/18**

**This Brochure provides information about the qualifications and business practices of BilkeyKatz Investment Consultants, Inc. (hereinafter "BKIC" or "Firm" or "we"). If you have any questions about the contents of this Brochure, please contact us at (412) 803-9900 or at [info@bilkeykatz.com](mailto:info@bilkeykatz.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

**Additional information about BKIC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for BKIC is 125216.**

## **Item 2. Summary of Material Changes**

On July 21, 2010, the United States Securities and Exchange Commission (the "SEC") unanimously adopted changes to Form ADV, Part II. All 50 states have also adopted the new format, with some additional state-specific disclosures mandated. The new Part 2, also known as the "Brochure", has 18 separate Items that our Firm must address, each of which requires disclosure on a distinct topic. Answers must be presented in the order of the Items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand "plain-English disclosure," using an easy-to-read format with definite, concrete, everyday words.

Our current (updated) Form ADV, Part 2, is available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually (and within 120 days of the end of our fiscal year) provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a Summary of Material Changes; or (ii) a Summary of Material Changes that includes an offer to provide a copy of the current Form ADV, Part 2. It has been our standard practice to deliver Form ADV to our clients on an annual basis, as well as when we enter into contractual agreements with our clients.

### **Specific Material Changes and Date of Last Annual Brochure Update:**

The last annual update of Part 2A of Form ADV: Firm Brochure was the annual updating amendment on March 28, 2017. Effective July 31, 2017, 12.5% of the Firm's outstanding voting stock was purchased by Patrick Fisher from Jerry Katz; and, as part of the continuation of a long-term strategic ownership transition plan, Patrick Fisher acquired Principal and control status.

The Firm is currently owned by Darrin Duda, Principal, Jerry Katz, Principal, and Patrick Fisher, Principal. Notwithstanding Patrick Fisher's increased ownership, there are no changes in the overall management of the Firm or its policies for providing investment guidance to clients. Management of the Firm remains with the Firm's current Officers and Principals.

We urge you to carefully review each subsequent Summary of Material Changes, if any, as it will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest and disciplinary history.

We will provide our clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

|                 |  |           |
|-----------------|--|-----------|
| <b>Item 3.</b>  | <b>Table of Contents</b>   |           |
| <b>Item 4.</b>  | <b>Advisory Business .....</b>   | <b>4</b>  |
| <b>Item 5.</b>  | <b>Fees and Compensation.....</b>  | <b>6</b>  |
| <b>Item 6.</b>  | <b>Performance-Based Fees and Side-By-Side Management .....</b>                        | <b>7</b>  |
| <b>Item 7.</b>  | <b>Types of Clients .....</b>  | <b>7</b>  |
| <b>Item 8.</b>  | <b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>                | <b>7</b>  |
| <b>Item 9.</b>  | <b>Disciplinary Information .....</b>  | <b>12</b> |
| <b>Item 10.</b> | <b>Other Financial Industry Activities and Affiliations .....</b>                      | <b>12</b> |
| <b>Item 11.</b> | <b>Code of Ethics, Participation in Client Transactions and Personal Trading .....</b> | <b>12</b> |
| <b>Item 12.</b> | <b>Brokerage Practices .....</b>   | <b>13</b> |
| <b>Item 13.</b> | <b>Review of Accounts .....</b>  | <b>13</b> |
| <b>Item 14.</b> | <b>Client Referrals and Other Compensation .....</b>                                   | <b>13</b> |
| <b>Item 15.</b> | <b>Custody .....</b>   | <b>14</b> |
| <b>Item 16.</b> | <b>Investment Discretion.....</b>  | <b>14</b> |
| <b>Item 17.</b> | <b>Voting Client Securities .....</b>  | <b>14</b> |
| <b>Item 18.</b> | <b>Financial Information .....</b>   | <b>14</b> |
|                 | <b>Part 2B of Form ADV: <i>Brochure Supplement</i>.....</b>                            | <b>23</b> |

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

BKIC is a fee-based SEC-registered investment adviser (SEC file number 801-61838). Our principal place of business is located in Pittsburgh, Pennsylvania. Our Firm has been in business since 2002. The Firm continues to be owned by Darrin Duda, Principal, Jerry Katz, Principal, and Patrick Fisher, Principal. Notwithstanding Patrick Fisher's increased ownership, there are no changes in the overall management of the Firm or its policies for providing investment guidance to clients. Management of the Firm remains with the Firm's current Officers and Principals.

We do not have any discretionary or non-discretionary assets under management.

As of December 31, 2017, we consulted on approximately \$7,876,403,524 of client assets.

##### Investment Consulting Services

Our Firm is not in the business of managing client assets. Instead, we provide consulting advice to clients, which they can (a) decline to implement or (b) accept and implement on their own or with the assistance of their dedicated portfolio manager(s).

We provide several consulting services separately or in combination. Clients may choose to use any or all of these services.

##### Investment Policy Statement ("IPS") Development or Review

We will meet with the client (in person and/or over the telephone) to determine or review the client's investment needs and goals. For clients needing an IPS, we will prepare a written IPS stating their needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for the selection of investment vehicles and the procedures and timing interval for monitoring investment performance. For clients with an existing IPS, we will provide a written review which may include recommendations for modification.

IPS review may include, among other things, an analysis of the:

- basis for asset mix and rebalancing limits;
- types and styles of investment managers and/or funds retained;
- guidelines for investment managers;
- control procedures for investment managers and consultants;
- spending policy;
- liability projections versus asset levels;
- projected returns; and
- procedures for controlling and accounting for investment results, including performance measurement standards.

##### Selection of Investment Vehicles

We will review various investments, service providers and strategies to determine which ones are appropriate within, or to implement in, the client's IPS. The nature and selection of investments and service providers to be retained will be determined by the client, based on the IPS.

Within the overall asset allocation strategy, we will review the following elements:

- client specific goals and objectives and the time horizon for which to achieve such;
- the relevance of capital market inputs used;
- inputs regarding return, risk, asset class preferences, tax status (if applicable) and time horizon; and

- the relevancy of the expected risk/return to a client's objectives.

#### Monitoring of Investment Procedures and Performance

We monitor client accounts based on the procedures and timing intervals delineated in the IPS. Although we will not be involved in the purchase or sale of the investments, we will monitor the client's portfolio and make recommendations to the client as market factors and the client's needs dictate. The frequency of reviews will be determined by the client's needs and the IPS. Typically, we provide quarterly investment performance reports and meet with clients in person at least on a quarterly basis to review performance and adherence to the IPS. We are available to meet more frequently or as needed.

#### Investment Manager Search and Monitoring

We may perform investment management searches of various independent investment advisers on behalf of a client. Based on a client's individual circumstances and needs, we will suggest an independent adviser(s) (or vendor or custodian) which may be appropriate for that client. Factors considered in making this determination include not only investment performance, but also account size, assets under management, management approach, quality of investment team, risk tolerance, the opinion of each client and the investment philosophy of the independent adviser, among others. Clients should refer to the independent adviser's disclosure document for a full description of the services offered.

We meet with our clients on a regular basis, or as determined by the client, to review the account and the performance of the selected third-party investment adviser(s) (or vendor or custodian). If we believe that a particular independent adviser (or vendor or custodian) is performing inadequately, or if we believe that a different manager is more suitable for a client's particular needs, then we will suggest that the client consider a different adviser. Under this scenario, we will assist the client in selecting a new adviser and then monitor that adviser's performance. However, any move to a new manager (or vendor or custodian) is solely at the discretion of the client.

#### Other Consulting

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern, such as a defined contribution vendor search, custodian search, investment policy statement review or development, asset allocation or any other specific topic. We may also provide specific consultation regarding investment and financial concerns of the client.

We may also provide one-time reviews of the client's:

- procedures used to select managers and/or funds;
- appropriateness of investment managers and/or funds to the IPS allocation objectives; and
- current performance of managers and/or funds against appropriate peer group and relevant industry benchmarks.

Additionally, we may provide analysis of the expenses associated with a client's portfolio, including use of 12b-1 fees and other arrangements. Our services may also include an analysis of a manager's portfolio composition and relevance of performance reports and custodial reporting, securities lending activities, conflicts of interest and any applicable socially responsible investment objectives.

### Services in General

Our consulting recommendations are not limited to any specific product or service offered by a broker dealer, insurance company or other third party financial services provider and will primarily include advice regarding the following:

- separate accounts of investment managers
- “no-load” or “load-waived” mutual funds
- exchange-traded funds (ETFs)
- collective investment funds (sometimes referred to as common trust funds and/or commingled funds)
- limited partnerships, including hedge funds or fund of funds, private equity and venture capital
- real estate investment trusts (REITs) and master limited partnerships (MLPs)

We tailor all of our recommendations to the individual needs of each client. All such recommendations are based on information gathered through client and/or committee meetings, electronic communications and telephone and in-person discussions.

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

For our Investment Consulting Services, we charge a fixed retainer fee which includes performance evaluation, asset allocation and diversification analysis, investment policy review and/or development, investment consulting, investment manager searches, performance reporting and periodic client meetings. Annual fees are typically billed quarterly, in advance (unless agreed otherwise), per the schedule outlined in the client's executed advisory contract. Fees may be paid via check remittance directly from the client, Automatic Clearing House (ACH) deposits, or by the custodians upon direction from the client. We do not directly debit clients' custodial accounts.

Occasionally, clients may also engage our Firm on a project basis for one or more of the services described above. Fees for project relationships are billed at a rate that is reflective of the nature of the assignment. A portion, or all, of the fixed fee may be required at the commencement of the project, with any balance billed upon completion of the project.

### Fees in General

Fees and annual minimums for all services are negotiable based upon certain criteria (i.e., anticipated future additional assets, dollar amount of assets to be advised, related accounts, account composition, etc.). Discounts, not generally available to all advisory clients, may be offered on a case-by-case basis to charitable organizations or to parties with whom we have a long-standing relationship.

We may group certain related client accounts for the purposes of determining the annualized fee.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

### Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees, if any. Thereafter, the client may terminate the agreement by providing us a 30-day written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. If we serve for less than a complete period for which fees are specified, fees will be calculated and refunded or payable on a daily pro rata basis for the period for which consulting services were provided.

### Mutual Fund, ETF and Other Provider Fees and Expenses

All fees paid to our Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders and other investment and service provider fees, such as fees charged by collective investment funds, hedge funds and fund of funds and REITs, etc. Mutual fund and ETF 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. A client could invest in a mutual fund or an ETF directly, without the services of our Firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds, ETFs and other investment and service providers and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### Brokerage, Custodial and Third-Party Manager Fees

In addition to advisory fees paid to our Firm, clients will also be responsible for all transaction, brokerage and custodial fees incurred as part of their account management with the selected third-party investment advisers. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices. All advisory fees charged by selected third-party managers and/or programs are incurred by clients and are in addition to our advisory fees.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7. Types of Clients**

Our Firm provides advisory services primarily to pension and profit sharing plans, corporations or other business entities, and charitable organizations, in addition to a few high net worth individuals/family offices.

We typically require a minimum annual retainer fee of \$50,000 for Investment Consulting Services, but lesser amounts may be accepted on a case-by-case basis with certain clients.

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

#### Investment Consulting Approach

We seek to be proactive with our clients in order to meet their investment needs. Long-term programs require not only a solid foundation but a recognition that markets change, new asset classes emerge and risk profiles shift as spending needs fluctuate.

Our understanding over the years for which we have been providing consulting services is that each client is unique in its investment goals and profiles. As a result, no two programs are alike; therefore, each client must be able to develop its program independently. Our investment consulting approach is hands-on, working closely with our clients in order to develop a well-diversified, long-term structure for each client's unique portfolio.

Employing a broadly diversified, long-term approach to providing investment consulting services, we recommend not only the traditional core asset classes but also specialty and alternative investments, including but not limited to private equity, real estate, venture capital and hedge funds or fund of funds in client portfolios, some of which may have heightened degrees of risk which are discussed with clients prior to implementation. The eventual diversification scheme evolves as we model the trade-offs of various structures and how each asset class impacts each client's time horizon, return expectations, liquidity needs and variability of results.

Typically, we employ an integrated process to analyze portfolio structure for our retainer clients. The process is comprehensive, beginning with initial evaluation to performance monitoring and includes the following steps:

- gaining a comprehensive understanding of the client's needs;
- reviewing the overall asset allocation and current structure of the assets;
- reviewing any existing IPS;
- structuring the diversification of total assets, reviewing investment managers/funds currently in place, providing suggestions for improvement and implementing any required changes in investment management;
- providing at least quarterly performance monitoring reports and/or quarterly meetings; and
- maintaining ongoing active discussions of the evolving capital markets and how current, or alternative, strategies may be working.

When reviewing a client's existing needs, it takes a thorough understanding of the various elements which impact the investment program. We will request information to learn about the client's most recent cash flow projections, liquidity needs, current financials, tax considerations and portfolio structure, to name a few. Furthermore, a proper understanding of the risk profile of the client and how decisions are made is important to framing long-term programs.

Our approach is a combination of education and solicitation of opinion. We lead our clients through a process that greatly values their input and allows them to make informed decisions regarding the investment of assets under their purview.

Some of the key decisions for which we will assist our clients in arriving at consensus opinions follow:

- ability to meet short- and long-term needs;
- appropriate asset allocation for the assets;
- diversification of the assets (domestic growth/value; capitalization size—micro, small, mid and large cap; international/emerging markets; short, intermediate and long fixed income; alternative assets, private equity and other potential alpha sources, if appropriate; and any investment restrictions affecting such);
- amount of risk to be taken in the assets;
- time horizon for the assets;
- review of the current investment management structure and assessment of whether the structure meets the diversification requirements of the assets; and
- performance of the current managers and funds in place and any areas where performance is lagging.

#### Asset Allocation/Diversification

The starting point for BilkeyKatz is to determine the acceptable asset classes from traditional stocks, bonds and cash & equivalents to alternative investments such as real estate, hedge funds and fund of funds, private equity and alpha transfer strategies. In addition, we subdivide each of the broad asset classes into components to better understand the historical returns, risks and correlations for each component of the potential portfolio construction.



Because investment policy, cash outflows, objectives and guidelines are so interrelated, they must be done simultaneously. Historical market returns, risks and correlations serve to establish a starting point for discussion on asset mix, liquidity needs and performance expectations. The modeling of this information begins to establish the relationships and risks inherent in various portfolio structures that may be appropriate.

More important than historical modeling is our proprietary modeling that incorporates projected returns, risk and correlations suggested by our Firm, with input from the client. It is during this phase of our work that we really flush out the ultimate goals and portfolio strategy that will drive returns and funding levels over the intermediate term (three to seven years).

Once we have the vital historical metrics for each potential asset segment, we begin the process of portfolio optimization, again using only historical data. We compare the client's current asset mix to a range of alternative structures to gain an understanding of the effectiveness of various strategies. At this stage, we have a historical perspective but have not tested any of the conclusions over a projected time horizon.

To properly assess potential returns and risk for the next five to seven years, return, risk and correlation statistics for each asset class that may be used in portfolio construction are developed. The mix of these investments then needs to be optimized over a number of forecasted market cycles. This permits the sensitivity analyses and worst case projection work vital to understanding not only expectations, but also the potential strengths and weaknesses of each asset mix contemplated. Various market conditions are also modeled to ensure that the fiduciaries have fully considered the range of outcomes and the impact on fund assets and the fund's ability to meet any future obligations.

We utilize a number of tools to model spending and/or other outflows. The software we use can optimize on a return/risk basis but also on a targeted portfolio value basis. We examine the probabilities of exceeding target returns. We also look at the impact returns have on the spending needs of the client.

Working with our client, we will determine if the asset allocation, diversification, manager structure, etc., should be adjusted based upon our understanding of the assets, the current market environment and the client's risk tolerance and performance expectations over the long term. We may suggest changes to the structure. These suggestions may include changes in the asset allocation targets and ranges, consideration of the addition of other asset classes, the replacement of an investment manager or fund, fixed income duration limit adjustments or a change in benchmark indices and/or performance expectations, for example. Ongoing discussions and/or meetings will be held with the client to assess the appropriateness of the structure, current policies, guidelines and expectations for return and risk tolerance, as well as the current asset allocation to make sure it is consistent with our findings. Presentations supporting any of our findings will be prepared and discussed with the client.

Consulting services provided may include securities held in a client's portfolio prior to retention of our Firm. These securities may not be ones which we would generally recommend for purchase, but remain in the portfolio as directed by the client and may be included in asset allocation modeling, diversification strategies and performance reporting.

### Investment Manager/Fund Searches

Investment manager/fund searches and/or evaluations are conducted by the Firm's Senior Consultants. When conducting manager searches, our process begins with discussions with the client regarding the client's objectives for the current management structure within the target asset allocation, diversification and investment guidelines. It is these discussions that help determine the specific assignment for a manager/fund and often times depends upon the type of assets. Changes in the management structure of a client's investment program occur for a number of reasons. These changes may include the rebalancing of the asset allocation, the need for broader asset class or manager diversification, a change in risk tolerance, the current market environment and long-term outlook for the stock and bond markets, consistent relative underperformance of a manager/fund, major industry or market events or a change in client or fund objectives, to name a few.

Once an appropriate plan structure is determined and reviewed, if any improvement is deemed necessary, we screen the appropriate database of separate account managers, index and/or commingled funds, etc. to determine managers/funds performing competitively versus a peer universe over a three to seven year period. Screens are done not only on long-term performance, but also on risk profile characteristics such as up and down market performance, variability of results, deviations from benchmark returns and style consistency.

The criteria our Firm uses to evaluate investment management firms includes not only quantitative past performance, but also qualitative measures and risk assessment. Some of the quantitative equity variables we consider when analyzing managers are relative price/earnings ratios, Sharpe ratios, sector and industry exposures, peer group and index performance comparisons, standard deviations, betas, correlations and tracking error, among others. Some fixed income variables are average duration/maturity, interest rate sensitivity, overall quality of the portfolio, current interest rate environment, etc.

Most of the qualitative topics we discuss include history of the management firm, education, experience, and turnover of the portfolio managers, asset size versus style limits, and even firm culture and personality, among others. We interview managers to better understand their processes and how they may perform in the future. We review current and past portfolios and discuss decisions from prior years as well as current strategy. We also address any conflicts of interest when interviewing managers.

Historical performance is used to substantiate a manager's performance within its stated management style and also serves as a starting point for comparative analysis. However, past performance is no guarantee of future performance.

Our clients have final discretion in decision making. We do not have discretionary authority to make investment decisions with respect to client assets, act as custodian for client assets or hire or terminate any investment manager; our role in providing Advisory Services and other services is only advisory, and clients are under no obligation to accept or follow our suggestions or advice. While we actively make recommendations regarding all phases of the investment program, clients maintain control over the final decisions. We believe that if we properly discuss the risks and rewards with our clients, they are ultimately in the best position to assess which risks they seek to take. However, our clients do vary in their decision making authority. Some clients only want to see a limited number of potential strategies; other clients wish to see a wider variety of alternatives. We are comfortable with either client preference.

### Mutual Fund and/or ETF Analysis

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in the mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the mutual funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategies.

A risk of mutual fund and/or ETF analysis is that, as in all investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a mutual fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the mutual fund or ETF less suitable for the client's portfolio.

#### Separate Account Investment Manager Analysis

We examine the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We periodically review the manager's strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we attempt to assess the manager's business enterprise risk.

A risk of investing with a third-party manager who has been successful in the past is that success may not be replicated in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### Risks for All Forms of Analysis

Our analysis methods may rely on the assumption that the publicly-available sources of information to which we subscribe are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We utilize third-party data such as Investment Metrics, LLC's (IM) peer ranking services; Standard & Poor's, Barclays Capital, Bank of America Merrill Lynch and other market indices; "The Wall Street Journal" and other financial newspapers or magazines and industry publications, etc., in order to evaluate client portfolios. We subscribe to the IM Performance Analysis Reporting Information System (PARis) for performance measurement and reporting purposes, in addition to IM InvestWorks® and Morningstar Direct<sup>(SM)</sup> software and databases, amongst others.

The Morningstar Direct software is utilized for asset allocation analysis. Asset mixes presented are derived using either available historical information for each asset class based on the selected index for that class or market projections developed by the Firm and are meant to illustrate the relative experience between asset classes and portfolios. Other asset classes and indices may have characteristics similar or superior to those being analyzed. The projections or other information generated by Morningstar Direct regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The results of the analyses may vary with each use and over time.

Although our Firm does not implement any investment recommendations for clients, we employ the following investment strategies to formulate our consulting recommendations to clients.

#### Short- and Long-Term Investment Strategies

We recommend short- and long-term investment strategies with the intention of structuring an overall portfolio to capture exposure to a particular asset class and/or to take advantage of investing cycles. Our client portfolios are broadly diversified across many asset classes and may consist of numerous separate accounts, mutual funds, ETFs, fund of funds, etc.

A risk in any long-term investment strategy is that, by holding investments for a long period of time, a client may not take advantage of short-term gains that could be profitable. Moreover, if our long-term projections are incorrect, an investment may decline in value before a decision is made to sell.

Risks in any short-term investment strategy are that, should anticipated price swings not materialize, the strategy may result in losses or the time horizon, that was designed to be short term in nature, becomes long term.

### Hedging Strategies

Under limited circumstances, we may also recommend portfolio hedging and other risk reduction techniques to clients in order to reduce exposure to overpriced markets or other exposures that clients may need to hedge against. One risk inherent in hedging strategies is that losses are theoretically unlimited. For example, a risk of selling short is that the client may be obligated to repurchase the investment no matter how much the price has climbed. In addition, even if an investment manager were correct in determining that an investment will decline, the client bears the risk that the manager incorrectly determines when the decline will take place.

### Securities Lending

Although none of our current clients participate in direct securities lending programs, at times, our larger asset based, institutional clients that had a securities lending program in place upon retention of our Firm have asked us to review the viability of maintaining the securities lending portfolio. Initially this entailed working with the client's custodian to assess the holdings as to whether they were of sufficient size and nature to make the program cost effective.

***Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal that a client should be prepared to bear.***

### **Item 9. Disciplinary Information**

Our Firm has no reportable disciplinary events to disclose.

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

Neither our Firm nor our employees engage in any other financial industry activities or have any other financial industry affiliations.

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

#### Code of Ethics Disclosure

We have 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 securities laws. Our 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 provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Elda Bertan, Chief Compliance Officer, at the Firm's principal office address.

Individuals employed by our Firm may buy or sell securities, including mutual funds and/or ETFs, which are identical to those suggested as part of our client's long-term investment programs.

To mitigate potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our Firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our Firm may prefer his or her own interest to that of the advisory client.
2. We emphasize the unrestricted right of the client to decline to implement any advice rendered.
3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action or termination.

#### **Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

As our Firm does not implement investment recommendations for client accounts, we do not utilize or recommend the services of any broker dealer. Clients and/or their selected third-party investment advisers are responsible for selecting brokers and evaluating their execution capabilities. Therefore, clients should refer to third-party investment advisers' disclosure documents for specific descriptions of their brokerage policies, including the ability to obtain best execution, as well as aggregation and allocation practices.

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

The Senior Consultants of the Firm are responsible for all account reviews. These individuals will review client portfolios quarterly or as otherwise contracted at the inception of the advisory relationship. Performance evaluations are predicated on industry standard benchmarks and peer comparisons. Periodic client meetings are held to review findings from these analyses. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark (as outlined in each client's IPS). Significant geopolitical and macroeconomic specific events may also trigger reviews.

We will provide written reports on a monthly, quarterly, semi-annual or as contracted-for basis. These reports typically include asset market values, asset allocation, diversification, manager guidelines and performance relative to stated goals and objectives.

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

Our Firm does not receive any additional compensation from third parties for providing investment advice to clients in common and does not compensate anyone for client referrals.

**Item 15. Custody**

Custody is defined as any legal or actual ability by our Firm to access client funds or securities. We do not manage client accounts and do not take physical possession of client assets. Moreover, we have not entered into any arrangements under which we are deemed to have constructive custody of client funds. Client assets should be maintained with a qualified custodian that provides at least quarterly account statements directly to clients. We urge all of our clients to carefully review and compare their reviews of account holdings (and/or performance results received from us) to those they receive from their custodian and third-party investment advisers. Should the client notice any discrepancies in any account, the client should notify the respective third-party investment adviser and/or the custodian as soon as possible.

**Item 16. Investment Discretion**

We do not manage client accounts and do not accept any investment discretion over client funds.

**Item 17. Voting Client Securities**

As a matter of Firm policy, we do not vote proxies on behalf of clients. Clients will either (a) receive their proxies and other solicitations directly from their custodians or transfer agents and retain sole responsibility for voting or (b) delegate proxy voting responsibilities to the selected third-party investment adviser(s). We do not provide consulting advice in connection with client proxies.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

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

Terrence Bilkey

BilkeyKatz Investment Consultants, Inc.  
411 Seventh Avenue  
Suite 1425  
Pittsburgh, PA 15219

Telephone: (412) 803-9900

Facsimile: (412) 803-9994

Email: [tbilkey@bilkeykatz.com](mailto:tbilkey@bilkeykatz.com)

03/28/18

**This Brochure Supplement provides information about Terrence Bilkey that supplements the BilkeyKatz Investment Consultants, Inc. Brochure. You should have received a copy of that Brochure. Please contact Elda Bertan, Chief Compliance Officer, if you did not receive our Brochure or if you have any questions about the contents of this Supplement.**

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

## **Item 2. Educational Background and Business Experience**

### Terrence Bilkey

Year of Birth: 1945

#### Education:

|           |   |
|-----------|---|
| 1980      | MBA–Finance, Youngstown State University                |
| 1968-1969 | Graduate School, University of Pittsburgh (Mathematics) |
| 1963-1967 | Undergraduate Degree, Westminster College (B.S., Math)  |

#### Professional Designations:

Mr. Bilkey earned the Chartered Financial Analyst (CFA) designation in 1985. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by the CFA Institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

#### Business Background:

|               |  |
|---------------|--|
| 12/02-present | BilkeyKatz Investment Consultants, Inc., Senior Consultant |
| 2001-2002     | Advanced Investment Management, Director of Client Service |
| 1979-1999     | Yanni•Bilkey Investment Consulting, Principal              |

## **Item 3. Disciplinary Information**

Mr. Bilkey does not have any history of disciplinary events.

## **Item 4. Other Business Activities**

Mr. Bilkey is not engaged in any outside business activities.

## **Item 5. Additional Compensation**

Mr. Bilkey does not receive any additional compensation from third parties for providing investment advice to clients.

## **Item 6. Supervision**

As Senior Consultants of BilkeyKatz Investment Consultants, Jerry Katz, President, Chairman of the Board, and Director, Darrin Duda, Secretary, Treasurer, and Director, and Patrick Fisher, Director, are responsible for all employee supervision and general business strategy of the Firm. These individuals are also solely responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. One or more of these individuals will work with the Senior Consultants supervising advice provided to clients. Elda Bertan, Chief Compliance Officer, is responsible for the implementation and monitoring of our compliance program, including the collection and review of all employee personal securities transactions on a quarterly basis. Mr. Katz, Mr. Duda, Mr. Fisher, and Ms. Bertan can be reached at (412) 803-9900.



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

Darrin Keith Duda

BilkeyKatz Investment Consultants, Inc.  
411 Seventh Avenue  
Suite 1425  
Pittsburgh, PA 15219

Telephone: (412) 803-9900

Facsimile: (412) 803-9994

Email: [dduda@bilkeykatz.com](mailto:dduda@bilkeykatz.com)

03/28/18

**This Brochure Supplement provides information about Darrin Duda that supplements the BilkeyKatz Investment Consultants, Inc. Brochure. You should have received a copy of that Brochure. Please contact Elda Bertan, Chief Compliance Officer, if you did not receive our Brochure or if you have any questions about the contents of this Supplement.**

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

## **Item 2. Educational Background and Business Experience**

Darrin Duda

Year of Birth: 1969

### Education:

1997-1999 MBA—Finance, Boston University  
1987-1991 Undergraduate Degree, Harvard University (A.B., Economics, Cum Laude)

### Professional Designations:

Mr. Duda earned the Chartered Financial Analyst (CFA) designation in 1996. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by the CFA Institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Mr. Duda earned the Chartered Alternative Investment Analyst (CAIA) designation in 2008. The CAIA program is sponsored by the Chartered Alternative Investment Analyst Association and provides individuals with the core competencies required to create, manage, and monitor an institutional-quality portfolio consisting of both traditional and alternative investments. The program is designed to facilitate self-learning through a comprehensive set of readings. Candidates' knowledge is then assessed through exams, available globally at computerized testing centers. The program is organized into two levels of study, and candidates are able to earn the designation within a single year. Candidates must successfully complete the level II exam within three years of successfully completing level I.

Mr. Duda earned the Accredited Investment Fiduciary® (AIF®) designation from the Center for Fiduciary Studies in 2014. The AIF designation certifies he has specialized knowledge of fiduciary standards of care and their application to the investment management process. To attain the AIF credential, one must successfully enroll and complete AIF training, pass the AIF examination, meet the experience/education requirements, and submit an application within one year of passing the examination. Designees are expected to abide by the AIF Designee Code of Ethics.

### Business Background:

7/07-present BilkeyKatz Investment Consultants, Inc., Principal, Secretary, Treasurer  
Director, Senior Consultant  
2003-2007 Duquesne Light Company, Manager, Investor Relations & Trust Investments  
2002-2003 Independent Contractor—Gateway Health Plan, L.P., Consultant  
1999-2002 Yanni Partners, Senior Consultant  
1992-1999 Acadian Asset Management, Vice President-Manager, Portfolio  
Construction & Optimization Department

## **Item 3. Disciplinary Information**

Mr. Duda does not have any history of disciplinary events.

## **Item 4. Other Business Activities**

Mr. Duda is not engaged in any outside business activities.

**Item 5. Additional Compensation**

Mr. Duda does not receive any additional compensation from third parties for providing investment advice to clients.

**Item 6. Supervision**

As Senior Consultants of BilkeyKatz Investment Consultants, Jerry Katz, President, Chairman of the Board, and Director, Darrin Duda, Secretary, Treasurer, and Director, and Patrick Fisher, Director, are responsible for all employee supervision and general business strategy of the Firm. These individuals are also solely responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. One or more of these individuals will work with the Senior Consultants supervising advice provided to clients. Elda Bertan, Chief Compliance Officer, is responsible for the implementation and monitoring of our compliance program, including the collection and review of all employee personal securities transactions on a quarterly basis. Mr. Katz, Mr. Duda, Mr. Fisher, and Ms. Bertan can be reached at (412) 803-9900.

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

Patrick William Fisher

BilkeyKatz Investment Consultants, Inc.  
411 Seventh Avenue  
Suite 1425  
Pittsburgh, PA 15219

Telephone: (412) 803-9900

Facsimile: (412) 803-9994

Email: [pfisher@bilkeykatz.com](mailto:pfisher@bilkeykatz.com)

03/28/18

**This Brochure Supplement provides information about Patrick Fisher that supplements the BilkeyKatz Investment Consultants, Inc. Brochure. You should have received a copy of that Brochure. Please contact Elda Bertan, Chief Compliance Officer, if you did not receive our Brochure or if you have any questions about the contents of this Supplement.**

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

## **Item 2. Educational Background and Business Experience**

Patrick W. Fisher

Year of Birth: 1967

### Education:

1997-2000 MBA—Finance, Duquesne University  
1986-1991 Undergraduate Degrees, West Virginia University (B.S., Business Administration, Accounting/B.A., English)

### Professional Designations:

Mr. Fisher earned the Chartered Financial Analyst (CFA) designation in 2003. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by the CFA Institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Mr. Fisher earned the Chartered Alternative Investment Analyst (CAIA) designation in 2015. The CAIA program is sponsored by the Chartered Alternative Investment Analyst Association and provides individuals with the core competencies required to create, manage, and monitor an institutional-quality portfolio consisting of both traditional and alternative investments. The program is designed to facilitate self-learning through a comprehensive set of readings. Candidates' knowledge is then assessed through exams, available globally at computerized testing centers. The program is organized into two levels of study, and candidates are able to earn the designation within a single year. Candidates must successfully complete the level II exam within three years of successfully completing level I.

### Business Background:

11/12-present BilkeyKatz Investment Consultants, Inc., Principal, Senior Consultant  
2008-2012 Schneider Downs Wealth Management Advisors, LP, Investment Relationship Manager  
2000-2008 Yanni Partners, Senior Consultant  
1998-2000 Horix Manufacturing, Assistant Accounting Manager  
1992-1998 Mellon Bank Corporation, Cash Manager

## **Item 3. Disciplinary Information**

Mr. Fisher does not have any history of disciplinary events.

## **Item 4. Other Business Activities**

Mr. Fisher is not engaged in any outside business activities.

## **Item 5. Additional Compensation**

Mr. Fisher does not receive any additional compensation from third parties for providing investment advice to clients.

**Item 6.           Supervision**

As Senior Consultants of BilkeyKatz Investment Consultants, Jerry Katz, President, Chairman of the Board, and Director, Darrin Duda, Secretary, Treasurer, and Director, and Patrick Fisher, Director, are responsible for all employee supervision and general business strategy of the Firm. These individuals are also solely responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. One or more of these individuals will work with the Senior Consultants supervising advice provided to clients. Elda Bertan, Chief Compliance Officer, is responsible for the implementation and monitoring of our compliance program, including the collection and review of all employee personal securities transactions on a quarterly basis. Mr. Katz, Mr. Duda, Mr. Fisher, and Ms. Bertan can be reached at (412) 803-9900.

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

Jerry Edward Katz

BilkeyKatz Investment Consultants, Inc.  
411 Seventh Avenue  
Suite 1425  
Pittsburgh, PA 15219

Telephone: (412) 803-9900

Facsimile: (412) 803-9994

Email: [jkatz@bilkeykatz.com](mailto:jkatz@bilkeykatz.com)

03/28/18

**This Brochure Supplement provides information about Jerry Katz that supplements the BilkeyKatz Investment Consultants, Inc. Brochure. You should have received a copy of that Brochure. Please contact Elda Bertan, Chief Compliance Officer, if you did not receive our Brochure or if you have any questions about the contents of this Supplement.**

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

**Item 2. Educational Background and Business Experience**Jerry Katz

Year of Birth: 1958

Education:

1981-1984 MBA—New York University Stern School of Business  
1978-1980 Undergraduate Degree, University of Southern California  
1976-1978 Temple University

Professional Designations:

Mr. Katz earned the Chartered Financial Analyst (CFA) designation in 1987. The CFA designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree (or equivalent, as assessed by the CFA Institute) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Business Background:

12/02-present BilkeyKatz Investment Consultants, Inc., Principal, President, Chairman of the Board, Director, Senior Consultant  
1999-2002 DQE Inc., General Manager-Trust Investments & Risk Manager  
1984-1999 Yanni•Bilkey Investment Consulting, Senior Consultant

**Item 3. Disciplinary Information**

Mr. Katz does not have any history of disciplinary events.

**Item 4. Other Business Activities**

In June, 2013, Jerry Katz was appointed Treasurer of Temple Sinai of Pittsburgh. This activity constitutes less than 7% of his time on an annual basis.

**Item 5. Additional Compensation**

Mr. Katz does not receive any additional compensation from third parties for providing investment advice to clients.

**Item 6. Supervision**

As Senior Consultants of BilkeyKatz Investment Consultants, Jerry Katz, President, Chairman of the Board, and Director, Darrin Duda, Secretary, Treasurer, and Director, and Patrick Fisher, Director, are responsible for all employee supervision and general business strategy of the Firm. These individuals are also solely responsible for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met. One or more of these individuals will work with the Senior Consultants supervising advice provided to clients. Elda Bertan, Chief Compliance Officer, is responsible for the implementation and monitoring of our compliance program, including the collection and review of all employee personal securities transactions on a quarterly basis. Mr. Katz, Mr. Duda, Mr. Fisher, and Ms. Bertan can be reached at (412) 803-9900.