

# PPA Advisors

## Regulatory ADV Disclosure Brochure

PPA Advisory Services, Inc.

March 31, 2012



2012

## Table of Contents

.....	0
Material Changes .....	2
Advisory Business Overview .....	2
Affiliations and Other Activities.....	2
Financial Planning and Analysis Service .....	3
Investment Management Structure, Process, and Risk .....	3
Portfolio Structure .....	3
Core Asset Class Exposure: .....	3
Satellite Asset Classes Offer .....	3
Manager Selection Process and Measures.....	4
Manager performance and Qualitative Analysis .....	4
Investment Risk .....	5
Portfolio Implementation .....	5
Core Portfolio Review and Services.....	6
Investment Discretion .....	6
Types of Clients.....	7
Brokerage Practices .....	7
Research and Other Soft Dollar Benefits .....	8
Code of Ethics Summary & Offer of Delivery to Clients .....	9
Fees and Compensation .....	9
Financial Planning and Financial Analysis Fees.....	9
Retainer Fees .....	9
Asset Management Fees .....	10
Core Portfolio Asset Management Service.....	10
Vision Portfolios Asset Management Services .....	11
Custody .....	11
Client Referrals .....	12
Voting of Proxies for Client Securities .....	12
Privacy Statement.....	12
Regulatory Information .....	12
Financial Issues that may material effect client .....	12
Management and Advisor Biographies .....	13

## Material Changes

This Brochure is a new document prepared according to the SEC's requirements. Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this Brochures or the Brochure itself within 120 days of the close of our business' fiscal year. We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at our main number.

Additional information about PPA Advisory Services, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with PPA Advisory Services, Inc. who are registered, or are required to be registered, as investment adviser representatives of PPA Advisory Services, Inc.

## Advisory Business Overview

PPA Advisory Services, Inc. (PPA, The Firm) was established in 1984. The firm provides wealth management services that include financial planning and fee based asset management services. The services are provided to individuals, corporations, defined benefit, profit sharing plans, endowments, and charities.

We seek to have a long-term relationship that is candid, respectful, and mutually beneficial. Our commitment is simply to use our unique resources to bring clarity and confidence to your life. At PPA, we believe being independent of product solutions allows us the freedom to give objective advice and provide broader solutions that meet our clients' needs. Our people, processes and advice support our belief that client's should have a comprehensive plan that clearly defines actionable steps and measures the progress of the plans.

The firm provides comprehensive financial planning services for an hourly or project based fee and fee based asset management services for no-load, load waived funds, CDs, government bonds, and other registered investment advisors.

The firm manages both discretionary and non-discretionary assets. Total assets under management are \$169,123,000 of which 85,548,000 are discretionary funds managed on a fee basis, \$29,085,000 are non-discretionary funds managed on a fee basis, in addition we advise on another \$54,490,000 in real estate, insurance base products, and other investment holdings for clients on an retainer or hourly fee basis.

PPA Advisory Services, Inc. is associated with 4 other Registered Investment Advisor under PPA Advisors whose combined assets under management exceed \$568,000,000. The non-affiliated Registered Investment Advisors combine their talents and resources in investment research, financial planning areas of expertise to create greater depth in serving their clients.

## Affiliations and Other Activities

The principals and independent investment advisory representative of PPA are actively engaged as financial advisors of PPA Investments, Inc., an associated Broker/Dealer of the Registrant. As registered representatives of PPA Investments, Inc., the principals and investment advisory representatives of Registrant are engaged in the advisement of investment products through PPA Investments, Inc. Investment products purchased through PPA Investments, Inc. that are outside of the no-load or load

waived funds used in the asset management services of PPA, may pay up-front compensation/or service fees to the financial advisor. In the event the client purchases products outside of the asset management services, the compensation will be disclosed before the product is purchased. The vehicles that fit this category are annuity and life insurance products. The average independent planner of Registrant spends 95% of their time as a financial advisor of the Registrant and the remaining 5% of their time performing services other financial related services.

Corporate Charities, Inc., a 501(c) (3) non-profit organization, owns 100% of PPA.

## Financial Planning and Analysis Service

We believe everyone needs a comprehensive plan that addresses all the areas below that pertain to you, and clarifies the steps and measures your progress to increase the probability of success. To this end, our ongoing financial planning service will provide a Life Plan Update to review your goals and priorities and communicate your progress. This review will cover the areas below that pertain to you.

- Investments
- Asset Protection/Insurance
- Debts & Mortgages
- Cash Flow
- Tax Planning
- Equity Compensation Issues
- Retirement Planning
- Business Succession Planning
- Gifting to others
- Education Planning
- Estate Distribution Planning
- Choice of Executor & Trustee
- Choice of Power of Attorney
- Proper Titling of Assets
- Charitable Gifting

It is our intention to act as your personal CFO to coordinate your financial affairs. At PPA, we believe in providing advice only in areas where we have the professional competence and resources. Acting as your personal CFO, we will coordinate with other professionals when our clients' needs are outside our staff's expertise. We will annually review the above subjects that pertain to you.

## Investment Management Structure, Process, and Risk

It is our belief risk is a fact of life and managing risk is vital to the decision making process. We will establish an Investment Policy Statement around your goals and volatility profile.

### Portfolio Structure

The portfolio will be constructed and allocated based on a risk budget between market risk (beta), meaning risk naturally associated with stock or bond market returns and active risk, which comes from the pursuit of non-market related return (alpha) through active, skilled portfolio management.

Through a Core and Satellite approach to portfolio construction, we will separate the three primary sources of risk of equity market, interest rate, and active management to seek additional return opportunities and/or lower volatility within the given risk profile target stated on Schedule 1 of the Investment Policy Statement.

#### Core Asset Class Exposure:

The Core asset classes provide exposure to the more efficient asset classes which are broadly representative of the market risk and interest rate risk.

#### Satellite Asset Classes Offer

- Low correlations to traditional equity and fixed income markets
- High risk premiums: risk taken tend to be well compensated

- Barriers to entry: complex, less efficient markets better opportunities for excess returns

## Manager Selection Process and Measures

### Manager performance and Qualitative Analysis

Evaluate Risk	Conduct Style Analysis
<ul style="list-style-type: none"> <li>▪ Total risk and market risk</li> <li>▪ Risk-adjusted returns</li> </ul>	<ul style="list-style-type: none"> <li>▪ Returns-based style analysis</li> <li>▪ Holdings-based style analysis</li> </ul>
Evaluate Performance	Analyze Qualitative Aspects
<ul style="list-style-type: none"> <li>▪ <b>Attribution</b> <ul style="list-style-type: none"> <li>► How Is performance driven by stock selection, sector selection or momentum?</li> <li>► Is performance derived from one sector or is value being added across many <b>sectors</b>?</li> <li>► Is there a repeatable/consistent process?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Portfolio management team</b> <ul style="list-style-type: none"> <li>► Does that team have stability, experience and expertise?</li> <li>► Is the team that built the track record still in place today?</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Performance in various market environments</b> <ul style="list-style-type: none"> <li>► Has the manager performed well in different market environments?</li> <li>► Does the manager provide downside protection during negative markets?</li> <li>► Does the manager deliver upside performance during positive markets?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Philosophy and strategy</b> <ul style="list-style-type: none"> <li>► Is the philosophy based on buying businesses, rotating sectors, riding momentum trends or making macroeconomic predictions?</li> <li>► What is the time horizon for an investment and resulting turnover?</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Relative performance</b> <ul style="list-style-type: none"> <li>► How is performance relative to a peer group?</li> <li>► How is performance relative to a benchmark?</li> <li>► How closely does manager's performance track the relative benchmark?</li> <li>► How does fund performance complement the other funds in the portfolio?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Research and decision-making process</b> <ul style="list-style-type: none"> <li>► Does the team or an individual have responsibility for decisions?</li> <li>► Is the portfolio constructed from a top-down or bottom-up process?</li> <li>► How does the manager evaluate risk?</li> <li>► What is the sell discipline?</li> </ul> </li> </ul>

No single evaluation measure is adequate to evaluate a manager's performance. Measures need to be interpreted within the context of portfolio holdings and changes over time.

### Manager and Portfolio Risk Measures

Market Risk (Systematic)	Specific Risk (Non-Systematic)
<ul style="list-style-type: none"> <li>▪ Risk associated with market volatility.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business risk associated with stocks in a portfolio.</li> </ul>
Beta	R-Squared
<ul style="list-style-type: none"> <li>▪ Used to measure only the market or systematic risk associated with the portfolio.</li> <li>▪ Measure the volatility of a security's return relative to a market index</li> <li>▪ Beta of 1.0 indicates that the portfolio's risk is equal to that of the market.</li> <li>▪ Betas greater than 1.0 equal higher risk levels; portfolios with betas less than 1.0 have a lower risk level than the market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A correlation measure that can tell you if you are using the appropriate index as your benchmark.</li> <li>▪ By checking the R-squared, you will be able to spot questionable betas.</li> </ul>

---

## Risk Adjusted Return Measures

Alpha	Sharpe Ratio
<ul style="list-style-type: none"><li>▪ Used to measure the risk-adjusted return that is attributable to a manager's investment decisions instead of the market's movement.</li><li>▪ Shows what the reward is for taking a certain amount of unsystematic risk.</li></ul>	<ul style="list-style-type: none"><li>▪ To Calculate: divide the portfolio's total excess return by the portfolio's standard deviation of returns.</li><li>▪ Indicates excess return per unit of total risk.</li></ul>

## Investment Risk

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. The company risk can result in bankruptcy and the industry risk can result in returns significantly below the general market.

## Portfolio Implementation

### Core Portfolios

**For portfolios of \$1,000,000 or more.** Portfolio will be personalized to your return and volatility profile, cash needs, and legacy holdings held with us. The client's overall allocation will be set and the investments will be implemented across the accounts with a set criteria taking into consideration trading and tax efficiency. Less tax efficient assets will have a higher priority to be allocated to tax-deferred or exempt accounts and more tax efficient assets going into taxable accounts. The overall allocation will take precedence over tax and trading considerations. \$1,000,000 minimum may be waived down to \$500,000 based on certain circumstances and managements approval. After one year, accounts above the Core Portfolio's minimum will be provided one Life Plan update each year.

### Vision Portfolios

**For portfolios up to \$1,000,000.** The portfolios will take into consideration return and volatility targets, contributions and anticipated withdrawals. An overall asset allocation target range will be established and

will be implemented by creating a model for each account with the overall allocation factored in. The accounts will be can be rebalanced quarterly to their model target. Individual account taxation is not factored into rebalancing the accounts and there is no ability to have legacy assets or customized cash positions in the Vision Portfolios.

## **Core Portfolio Review and Services**

### **Daily**

- Download and reconcile your accounts from Pershing and Schwab.
- Update your cost basis and transaction history, for tax purposes.
- Upload your accounts to our trading system for rebalancing and tax accounting.
- Handle your account service needs or issues with the custodians.

### **Weekly**

- The portfolio will be reviewed weekly to see if the investor's asset allocation is within the stated minimum, maximum range of the policy.

### **Additional Core Portfolios Reviews and Services**

- At Trades will be placed to bring the portfolio back within the min. /max. range or to the target. If the advisor deems appropriate, considering transaction cost, the portfolio's deviation from its target, and taxes, the portfolio may be rebalanced back to its target.
- To remain consistent with the asset allocation guidelines established by this Investment Policy Statement and to factor in tax loss harvesting at the end of each year the Advisor shall review the portfolio in the last quarter of the year to make any changes deemed appropriate for taxes and the portfolios risk return budgeting.
- Review your cash position to see if it is below 25% of your target.

### **Monthly**

- Investment Committee will review your model performance.
- Investment Committee will review your manager's performance to their benchmark.

### **Quarterly**

- Create a combined performance review for your accounts.
- Review your manager's attributions and fit within the portfolio.

## **Investment Discretion**

Client's who give written authorization for discretionary management will have the management of their portfolio defined in their Investment Policy Statement (IPS) and Discretionary Agreement. Based on client's individual financial situation, investment objectives, risk tolerance, personal goals, time horizon, certain U.S. federal income tax considerations, and other information clients provide PPA creates an Investment Policy Statement. PPA Advisory Services, Inc. recommends a target portfolio strategy for the client's Account(s).

We will allocate and, when appropriate, reallocate the assets in your Account(s) among various no-load, load-waived mutual funds, exchange traded funds, fixed income instruments issued by the US Treasury, and FDIC insured CDs within the guidelines of your IPS. We will not exercise discretion on the purchase or sale of "individual securities," such as, stocks, corporate and municipal bonds; however, we may, in our discretion, allow you to hold individual securities in your Account(s). Consideration will be given to

individual securities when allocating the assets in your Account(s) according to the target portfolio strategy recommendation. If you deposit, transfer or contribute mutual funds into your Account(s), you acknowledge that they will be managed on a discretionary basis and you authorize and direct us to sell the mutual funds when, in our discretion, it is appropriate to do so based on, among other things, investment, cash flow needs, and certain U.S. federal income tax considerations.

Any reasonable restrictions that you may wish to impose on our management of your Account(s) need to be requested in writing and, if accepted, will be confirmed in writing. Please note that, if you specify any restrictions, your Account(s)'s performance may differ from the performance of accounts without restrictions, possibly producing lower overall results. You represent that your' Client Account Application and IPS information is accurate and complete in all material respects. You agree to notify us in writing of any change in your information, including reasonable modifications to existing restrictions, or of any change that may affect the manner in which we should allocate or invest the assets in your Account.

## Types of Clients

PPA provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions.

## Brokerage Practices

PPA may recommend/require that clients establish brokerage accounts with PPA Investments, Inc. or Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), both are a FINRA registered broker-dealer, member SIPC.

For the client's protection assets under PPA Investments, Inc. will be custodied and cleared with Pershing, LLC a division of Bank of New York Mellon Corp. Assets under Schwab Advisory Services will be custodied and transacted by Charles Schwab & Co., Inc. Although PPA may recommend/require that clients establish accounts at PPA Investments or Schwab, it is the client's decision to custody assets with PPA Investments, Inc. and/or Schwab. PPA is independently owned and operated and not affiliated with Schwab.

Schwab provides PPA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are not contingent upon PPA committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For PPA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.



Schwab Advisor Services also makes available to PPA other products and services that benefit PPA but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of PPA's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist PPA in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of PPA's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help PPA manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to PPA. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to PPA. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of PPA personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, PPA may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## Research and Other Soft Dollar Benefits

PPA does not have any commitments or understandings to trade with specific brokers or to generate a specified level of brokerage commission with a particular broker in order to receive brokerage or research services.

These commitments or understandings are generally known as soft dollar arrangements. Certain brokers through whom PPA executes trades may provide unsolicited proprietary research (research created or developed by the broker) to us. This research is used for all client accounts, even though certain clients may not have paid direct commissions to the brokers who provided the research. This research could include a wide variety of reports, charts, publications or proprietary data on economic and political strategy, credit analysis, or stock and bond market conditions and projections. In addition to unsolicited research, certain brokers may provide invitations to attend conferences and meetings with management representatives of issuers or with other analysts and specialists.

Receipt of research from brokers who execute client trades involves conflicts of interest. An adviser that uses client brokerage commissions to obtain research, products, or services receives a benefit because it does not have to produce or pay for the research, products, or services itself. Consequently, the adviser may have an incentive to select or recommend a broker based on its desire to receive research, products, or services rather than a desire to obtain the most favorable execution, which is in the clients' best interest.

Brokers providing research services, even on an unsolicited basis, may charge commissions for executing portfolio transactions that are higher than the amount of commissions that other brokers would charge for effecting the same transactions. PPA will execute portfolio transactions through these brokers only if it has determined that such brokers provide best execution based on the factors described above.

## Code of Ethics Summary & Offer of Delivery to Clients

PPA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at PPA must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of PPA may buy or sell securities that are recommended to clients. PPA's employees and persons associated with PPA are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of PPA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for PPA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of PPA 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of PPA's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between PPA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with PPA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. PPA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## Fees and Compensation

### Financial Planning and Financial Analysis Fees

Hourly Financial Planner Fees range from \$250-\$350 an hour and will be defined on Schedule 1 of the Advisory Agreement. Para-Planner Fees are \$75-\$125 an hour. Project fees may be quoted instead of hourly. These usually range from \$2,500 - \$10,000, but may be more based on scope of project. Planning fees are quoted on Schedule 1 of the Advisory Agreement. Project fees will not change, as long as the scope or information provided in the beginning does not change. Financial planning fees will be billed to the client after the initial plan is completed.

### Retainer Fees

An annual retainer fee may be proposed for clients that want ongoing advice on assets outside of the custodians we use. The fee will be determined based on the assets values, types and structure, estimated time to fulfill service, potential liability, and additional factors. There may be additional fees quoted for services required for business or real estate analysis outside the scope of the original retainer. Retainer

fees will be defined on Schedule 3 of the Advisory Agreement. The retainer fees based on outside asset values will be set every year and may be cancelable anytime without restrictions. Fees are billed on a quarterly basis in arrears with a minimum fee of \$2,500 per quarter. The minimum includes any management fee paid for Core Portfolio Management Services.

## Asset Management Fees

### Core Portfolio Asset Management Service

#### Fee Schedule:

Asset Range Breakpoints	Annual Percent
First \$1,000,000 of assets under management	1.00%
Next \$2,000,000 of assets under management	.75%
Next \$2,000,000 of assets under management	.50%
Next \$5,000,000 of asset under management	.40%
Amounts over \$10,000,000	.30%

The specific manner in which fees are charged by the Firm is established in a client's written agreement in Schedule 2 of the Advisory Agreement. Fees are based on a percentage of assets under management and calculated at an annual rate and billed in arrears on a quarterly basis. Fees are based on the assets in the account per the schedule above and in some instances, may be modified based on such items, but not limited to criteria historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, and account composition, and reduced services required. Management approval is required.

The initial fee is due following the first calendar quarter. The period for which such payment will be made will run from the opening date through the last day of the full calendar quarter and will be prorated. Thereafter, the quarterly fee is based on the account asset value on the last day of the respective calendar quarter. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees if paid in arrears (pro-rated through end of the month in which termination is effective). A full refund will be provided without penalty if the client terminates the contract within 5 business days of signing with the Firm.

#### Margin

Fees are debited directly from client accounts and are calculated using the total assets in the account as shown on the client custodial statement, including any assets purchased on margin. If there is a net debit cash balance in the account as a result of using margin, the cash balance will be excluded from the fee calculation. Net positive cash balances in type 1 (cash account) and type 2 (margin account) are included in the fee calculation.

#### Deposit/Withdrawal pro-rated

Deposits and/or withdrawals will be prorated and charged as applicable.

#### Core Portfolios other fee disclosures

The minimum annual fee is \$5,000. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above. The firm, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type

of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, and account composition. Management approval is required.

### **Custodial and Other Fees**

In addition, brokerage and custodial fees are charged by Charles Schwab, Pershing, LLC for some transactions and for other custodial services. One must check with the custodian for what fees apply to their situation. PPA does not share in these custodial fees. Funds may pay a 12b1 servicing fee paid to the broker dealer. 12b1 fees on assets held at Pershing, LLC will be paid to PPA Investments, Inc. and their associated advisors. 12b1 fees are not factored in choosing a fund and PPA will use the least expensive share class available at the custodian for the client.

### **Vision Portfolios Asset Management Services**

#### **Fee Schedule:**

Investnet Trading & Reporting Platform Fee Annual Percent	PPA Asset Management Fee Annual Percent	Custodial Fee Per Account Per Year
0.35%	1.00%	\$150

Vision Clients Platform and asset management fees are taken out in advance on a quarterly basis based. The fee will be calculated on the accounts initial value and the subsequent quarter end value. Contributions and withdrawals in excess of \$10,000 during a given quarter are prorated. Transaction fees are included in the Vision portfolios platform.

#### **Other random fee disclosures**

The minimum PPA annual fee is \$1,000. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above.

#### **Mutual Fund Fees for Both Management Programs:**

Mutual funds charge management and expenses related to running the fund. See individual prospectuses for the fees charged on each fund. PPA will use the least expensive class of shares available. Many of the funds used are advisor or institutional class shares. These shares have minimums of \$1,000,000 - \$5,000,000 per account. The fund companies will treat PPA as the account to meet the minimum vs. the end client. This enables us to purchase the institutional class shares for our clients often saving 20-40% of the funds retail class shares management fee. In the event a less expensive class comes available, PPA will move its model into the less expensive. Tax considerations and transaction cost will be factored in before moving an existing client into the new share class.

## **Custody**

PPA does not Custody client's assets. Pershing, LLC and Charles Schwab & Co. are the primary custodians. In addition, funds may be held at third party trust companies and directly with a mutual fund or life insurance company. The client will receive, at least, quarterly reports from the custodian showing the investments values and monthly for accounts with any purchase, redemption or withdrawal transactions. The custodian's reports should be compared to any performance, holding, or tax report PPA provides the client or accessed through our secure portal.

## Client Referrals

PPA does not have any arrangements to compensate a third party for client referrals.

## Voting of Proxies for Client Securities

As a matter of firm policy and practice, PPA does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. PPA may provide advice to clients regarding the clients' voting of proxies.

Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

## Privacy Statement

As our client you have trusted us with your personal information. To maintain that trust, we are committed to protecting the privacy and security of the personal information that we collect about our clients. This notice is intended to help you understand how we collect, handle, and safeguard that information.

We treat the personal information of our clients in a confidential manner. We do not provide any information to unrelated companies for the purpose of marketing their products or services to our clients.

Most of the personal information that we collect is obtained directly from our clients. The reason we collect and maintain personal information is to service and administer our client relationships and transactions.

The type of information that we collect depends on the type of product or service being provided. The types of information that we may collect include:

- information that is provided to us on an application or other forms, such as name, address, social security number, or income.
- Information about our clients' transactions and history with us and other entities within our corporate family.
- Medical or health information that a client authorizes us to receive from doctors or other health care providers and medical vendors.

We have established policies to maintain physical, electronic, and procedural safeguards to maintain the confidentiality of the personal information of our clients.

## Regulatory Information

PPA Advisory Services, Inc. is a SEC registered investment advisor with no disciplinary events to report.

## Financial Issues that may material effect client

None

## Management and Advisor Biographies

### Daniel M. Dubay, CFP®

Managing Principal

DOB: 01/23/66

CRD No. 1876135

Education				
School, City and State	Years Attended	Year Graduated	Degree	Major
University of Georgia, Athens, GA	1984-1988	1988	B.B.A.	Finance
Norcross High School, Norcross, GA	1982-1984	1984	Diploma	

Business Background				
Name of Firm	Business Type	Title / Nature of Employment	Beg. Date	End Date
PPA Advisory Services, Inc.	RIA	CEO, CFO, CCO Managing Principal	4/91	Present
PPA Investments, Inc.	Broker/Dealer	CEO, CFO Managing Principal	4/91	Present
Asset Management Group, Inc.	RIA	Financial Advisor	8/1988	4/91

#### Professional Designations, Positions, Service, and Examinations

Certified Financial Planner License – 7/92  
Investment Advisory Exam – Series 65 – 7/92  
Past President of Financial Planning Assoc. of Georgia  
Paired Review Committee for the CFP Standards Exam  
Past member of the Estate & Gift Planning Counsel  
Advisory Board of The University of Georgia Financial Planning Program.

Municipal Securities Principal Exam – Series 55 – 1/04  
Financial and Operations Principal Exam Series 23 – 8/98  
General Securities Principal Exam – Series 24 -9/94  
General Securities Representative - Series 7 - 9/88  
Uniform Securities State Law Exam - Series 63 – 09/88

### Philip Beatty, CPA, CFP®

Financial Advisor

DOB: 08/03/60

CRD No. 4278751

Education				
School, City and State	Years Attended	Year Graduated	Degree	Major
University of North Carolina - Chapel Hill	1978-1982	1982	B.B.A.	Accounting
West Caldwell High School	1974-1978	1978	Diploma	

Business Background				
Name of Firm	Business Type	Title / Nature of Employment	Beg. Date	End Date
PPA Advisory Services, Inc.	RIA	Financial Advisor	4/01	Present
IJL Wachovia	Brokerage Firm	Financial Advisor	8/2000	4/01
Beatty, Schival & Assoc., CPA's	CPA Firm	Founder and Owner	8/1990	8/2000

#### Professional Designations, Positions, Service, and Examinations

Certified Financial Planner License – 2/2000  
Certified Public Accountant License – 8/1987  
Georgia Insurance License – 8/01  
Investment Advisory Exam – Series 65 – 2/01  
General Securities Representative - Series 7 – 2/01  
Uniform Securities State Law Exam - Series 63 – 02/01

Member – Financial Planning Association  
Member – American Institute of CPA's  
Member – Georgia Society of CPA's  
Member – AICPA Estate & Gift Section  
Past President - Community Foundation of North Fulton  
Past Treasurer - Georgia Financial Planning Association

**George Morris, CFP***President*

DOB: 2/07/1944

CRD No. 340445

Education				
School, City and State	Years Attended	Year Graduated	Degree	Major
Georgia Institute of Technology	1961-1966	1966	B.S.	Management
Banks High School, Birmingham, AL	1958-1961	1961	Diploma	

Business Background				
Name of Firm	Business Type	Title / Nature of Employment	Beg. Date	End Date
PPA Advisory Services, Inc.	RIA	Chairman	4/85	
PPA Investments, Inc.	Broker/Dealer	Chairman	4/85	
First South Group, Inc.	Office Operator	Chairman	1/95	

Professional Designations, Positions, Service, and Examinations	
Certified Financial Planner License	Uniform Securities State Law Exam – Series 63
General Securities Principal Exam – Series 24	Investment Advisory Exam – Series 65
General Securities Representative - Series 1	

**Philip Clinkscales, CFA, CAIA, CFP®**

DOB: 5/28/77

*Financial Advisor*

CRD No. 4552373

Education				
School, City and State	Years Attended	Year Graduated	Degree	Major
University of Georgia, Athens, GA	1995-2000	2000	BLA – Landscape Arch	
University of Georgia, Athens, GA	2000-2001	2001	BBA – Real Estate	
Southwest Georgia Academy	1991-1995	1995	Diploma	

Business Background				
Name of Firm	Business Type	Title / Nature of Employment	Beg. Date	End Date
PPA Advisory Services, Inc.	RIA	Financial Advisor	6/02	Present
PPA Investments, Inc.	Broker/Dealer	Financial Advisor	6/02	Present

Professional Designations, Positions, Service, and Examinations	
Chartered Financial Analyst designation – 9/05	General Securities Representative - Series 7 – 8/02
Chartered Alternative Investment Analyst designation – 4/08	Uniform Securities State Law Exam - Series 63 – 08/02
Certified Financial Planner Designation – 7/07	Investment Advisory Exam – Series 65 – 10/02
Research Analyst I - Series 86 Waiver – 12/05	General Securities Principal Exam – Series 24 -2/04
Georgia Life, Health, and Variable Insurance Licenses	Registered Options Principal – Series 4 – 10/03