

Pacific Specialty Investment Group, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Pacific Specialty Investment Group, LLC. If you have any questions about the contents of this brochure, please contact us at (949) 253-4000 or by email at: sparent@psinvestmentgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pacific Specialty Investment Group, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Pacific Specialty Investment Group, LLC's CRD number is: 282463.

19762 MacArthur Blvd #200
Irvine, CA, 92612
(949) 253-4000
sparent@psinvestmentgroup.com

Registration does not imply a certain level of skill or training.

Version Date: 03/09/2016

Item 2: Material Changes

Pacific Specialty Investment Group, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A.

As of March 2016 the firm is switching from SEC registration to State registration.

Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	i
Item 3: Table of Contents	ii
Item 4: Advisory Business	2
A. Description of the Advisory Firm.....	2
B. Types of Advisory Services.....	2
C. Client Tailored Services and Client Imposed Restrictions	3
D. Wrap Fee Programs.....	3
E. Assets Under Management.....	3
Item 5: Fees and Compensation.....	3
A. Fee Schedule.....	3
B. Payment of Fees.....	4
C. Client Responsibility For Third Party Fees.....	5
D. Prepayment of Fees	5
E. Outside Compensation For the Sale of Securities to Clients.....	5
Item 6: Performance-Based Fees and Side-By-Side Management	6
Item 7: Types of Clients	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	7
A. Methods of Analysis and Investment Strategies.....	7
B. Material Risks Involved	7
C. Risks of Specific Securities Utilized	9
Item 9: Disciplinary Information	11
A. Criminal or Civil Actions.....	11
B. Administrative Proceedings	11
C. Self-regulatory Organization (SRO) Proceedings	11
Item 10: Other Financial Industry Activities and Affiliations.....	11
A. Registration as a Broker/Dealer or Broker/Dealer Representative	11
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	11
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	11
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections . Error! Bookmark not defined.	
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
A. Code of Ethics.....	13
B. Recommendations Involving Material Financial Interests	13
C. Investing Personal Money in the Same Securities as Clients.....	14
D. Trading Securities At/ Around the Same Time as Clients' Securities	14

Item 12: Brokerage Practices.....	14
A. Factors Used to Select Custodians and/or Broker/Dealers	14
1. Research and Other Soft Dollar Benefits	15
2. Brokerage for Client Referrals	16
3. Clients Directing Which Broker/Dealer/Custodian to Use	16
B. Aggregating (Block) Trading for Multiple Client Accounts	16
Item 13: Review of Accounts	16
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	16
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	17
C. Content and Frequency of Regular Reports Provided to Clients.....	17
Item 14: Client Referrals and Other Compensation	17
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)	17
B. Compensation to Non – Advisory Personnel for Client Referrals.....	17
Item 15: Custody.....	17
Item 16: Investment Discretion	18
Item 17: Voting Client Securities (Proxy Voting).....	18
Item 18: Financial Information.....	18
A. Balance Sheet	18
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	19
C. Bankruptcy Petitions in Previous Ten Years	19
Item 19: Requirements for State-Registered Advisers.....	19
Item 20: Business Continuity Plan	20

Item 4: Advisory Business

A. Description of the Advisory Firm

Pacific Specialty Investment Group, LLC (hereinafter "PSIG") is a Limited Liability Company organized in the State of California.

The firm was formed in December 2015, and the principal owners are Scott Parent and Phillip Vigil.

B. Types of Advisory Services

Portfolio Management Services

PSIG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

PSIG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PSIG will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

PSIG seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of PSIG's economic, investment or other financial interests. To meet its fiduciary obligations, PSIG attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, PSIG's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is PSIG's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

Services Limited to Specific Types of Investments

PSIG generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, hedge funds, ETFs, treasury inflation protected/inflation linked bonds and private placements. PSIG may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

PSIG offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. PSIG does not participate in any wrap fee programs.

E. Assets Under Management

PSIG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	December 2015

Item 5: Fees and Compensation

A. Fee Schedule

Asset-Based Fees for Portfolio Management

Total Assets Under Management	Annual Fee
\$0 - \$249,000	2.00%
\$250,000 - \$499,000	1.70%
\$500,000 - \$999,000	1.50%
\$1,000,000 - \$2,999,000	1.30%
\$3,000,000 - And Up	1.00%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Advisor believes the fee schedule below is reasonable

based upon advisor's experience and expertise. Lower fees for comparable services may be available from other sources.

Clients may terminate the agreement without penalty for a full refund of PSIG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

PSIG uses the value of the account as of the last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Performance-Based Fees for Portfolio Management

A qualified client can choose to pay a performance fee in lieu of a management fee for our services. Qualified clients will pay a 30.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 30.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark."

The high water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. This service may be canceled immediately upon written notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

Selection of Other Advisers Fees

PSIG may engage in the selection of third-party money managers, but does not have any such arrangements in place at this time. This service may be canceled immediately upon written notice.

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis, or may be invoiced and billed directly to the client on a monthly basis. Clients may select the method in which they are billed. Clients can make their payment by check, wire or set up to have the payment debited from their account held with TD Ameritrade. Fees are paid in advance.

Payment of Performance-Based Portfolio Management Fees

Performance-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Clients can make their payment by check, wire or set up to have the payment debited from their account held with TD Ameritrade. Fees are paid in arrears.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PSIG. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

PSIG collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

E. Outside Compensation For the Sale of Securities to Clients

PSIG or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

Phillip Scott Vigil is a registered representative of a broker-dealer and an insurance agent and in these roles, accepts compensation for the sale of securities and other products to PSIG clients.

1. This is a Conflict of Interest

Supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to PSIG's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, PSIG will inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase PSIG recommended products through other brokers or agents that are not affiliated with PSIG.

3. Commissions are not PSIG's primary source of compensation for advisory services

Commissions are not PSIG's primary source of compensation for advisory services.

4. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

PSIG manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because PSIG and/or its supervised persons have an incentive to favor accounts for which PSIG receives a performance-based fee. PSIG addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. PSIG seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Performance-based fees will only be charged in accordance with the provisions of the California Code of Regulations 260.234.

Item 7: Types of Clients

PSIG generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and profit sharing plans

Minimum Account Size

The minimum account size for PSIG's services is \$250,000. PSIG can choose to waive this minimum at its discretion.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

PSIG's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis and modern portfolio theory.

Charting analysis involves the use of patterns in performance charts. PSIG uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Investment Strategies

PSIG uses long term trading, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

PSIG's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Selection of Other Advisers: Although PSIG will seek to select only money managers who will invest clients' assets with the highest level of integrity, PSIG's selection process cannot ensure that money managers will perform as desired and PSIG will have no control over the day-to-day operations of any of its selected money managers. PSIG would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

PSIG's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (higher risk).

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Hedge Funds often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk,

sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

As a registered representative of Finance 500, Inc, Phillip Scott Vigil accepts compensation for the sale of securities.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither PSIG nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Phillip Scott Vigil is a registered representative of Finance 500, Inc. (CRD #: 12981) and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a

registered investment adviser. PSIG always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of PSIG in such individual's capacity as a registered representative.

Phillip Scott Vigil is an investment adviser representative with another investment advisory firm, F500 Advisory Services, Inc. (CRD #: 107510), and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no way required to use the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Phillip Scott Vigil is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PSIG always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Phillip Scott Vigil acts as managing member of Specialty Income Advisors, LLC, (CRD #: 282118) the general partner of Perennial Specialty Income Fund, LLC and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Scott Michael Parent is an investment adviser representative with another investment advisory firm, F500 Advisory Services, Inc. (CRD #: 107519), and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no way required to use the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Scott Michael Parent acts as managing member of Parent Investment Management (CRD #: 282771), the manager of Innovative Fund I and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Scott Michael Parent acts as managing member of Innovative Capital Management (CRD # 130446), the general partner of iVelocity Fund, LLC and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client

and clients are in no way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

A. Code of Ethics

PSIG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting. PSIG's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

PSIG and its associated persons may have material financial interests in issuers of securities that PSIG may recommend for purchase or sale by clients.

Phillip Scott Vigil acts as managing member of Specialty Income Advisors, LLC, the general partner of Perennial Specialty Income Fund, LLC and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Scott Michael Parent acts as managing member of Parent Investment Management, the manager of Innovative Fund I and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

Scott Michael Parent acts as managing member of Innovative Capital Management, the general partner of iVelocity Fund, LLC and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. PSIG always acts in the best interest of the client and clients are in no

way required to utilize the services of any representative of PSIG in connection with such individual's activities outside of PSIG.

This presents a conflict of interest in that PSIG or its related persons may receive more compensation from investment in a security in which PSIG or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. PSIG always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of PSIG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of PSIG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PSIG will document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of PSIG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of PSIG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, PSIG will never engage in trading that operates to the client's disadvantage if representatives of PSIG buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on PSIG's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and PSIG may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in PSIG's research efforts. PSIG will never charge a

premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

PSIG will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

1. Research and Other Soft Dollar Benefits

While PSIG has no formal soft dollars program in which soft dollars are used to pay for third party services, PSIG may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and PSIG does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. PSIG benefits by not having to produce or pay for the research, products or services, and PSIG will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that PSIG's acceptance of soft dollar benefits may result in higher commissions charged to the client.

PSIG participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. PSIG receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, PSIG participates in TD Ameritrade's institutional advisor program and PSIG may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between PSIG's participation in the Program and the investment advice it gives to its clients, although PSIG receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving PSIG participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have PSIG's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to PSIG by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by PSIG's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit PSIG but may not benefit its client accounts. These products or services may assist PSIG in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help

PSIG manage and further develop its business enterprise. The benefits received by PSIG or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, PSIG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by PSIG or its related persons in and of itself creates a conflict of interest and may indirectly influence the PSIG's choice of TD Ameritrade for custody and brokerage services.

2. Brokerage for Client Referrals

PSIG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

PSIG will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

If PSIG buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, PSIG would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. PSIG would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for PSIG's advisory services provided on an ongoing basis are reviewed at least quarterly by Scott Parent, Managing Member, with regard to clients' respective investment policies and risk tolerance levels. All accounts at PSIG are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of PSIG's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. PSIG will also provide at least quarterly a separate written statement to the client.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

PSIG may receive compensation from the selected third party advisers via a fee split. PSIG will also receive soft dollar benefits discussed in Item 12 above, though there is no direct link between PSIG's participation in the TD Ameritrade Program and the investment advice it gives to its clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

PSIG may enter into written arrangements with third parties to act as solicitors for PSIG's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. PSIG will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, PSIG will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Because client fees will be directly deducted from a client account, PSIG will:

- A. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- B. Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- C. Send the client a written invoice itemizing the fee, including the itemization includes the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee is based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. When clients receive statements from PSIG as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

Item 16: Investment Discretion

PSIG provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, PSIG generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Item 17: Voting Client Securities (Proxy Voting)

PSIG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

PSIG neither requires nor solicits prepayment of more than \$500.00 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither PSIG nor its management has any financial condition that is likely to reasonably impair PSIG's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

PSIG has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State Registered Advisors

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Scott M Parent - is a Member of Pacific Specialty Investment Group, LLC. Information regarding the formal education and business background for Scott M Parent is provided in the Brochure Supplements, ADV Part 2B.

Phillip S. Vigil - is a Member of Pacific Specialty Investment Group, LLC. Information regarding the formal education and business background for Phillip S. Vigil is provided in the Brochure Supplements, ADV Part 2B.

B. Other Business in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Please refer to Item 10, "Other Financial Industry Activities and Affiliation," for information regarding other business activities of the firm and its management personnel.

C. Calculation of Performance-Based Fees and Degree of Risk to Clients

PSIG manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because PSIG and/or its supervised persons have an incentive to favor accounts for which PSIG receives a performance-based fee. PSIG addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. PSIG seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

D. Material Disciplinary Disclosures for Management Persons of this Firm

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulator or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

Neither Pacific Specialty Investment Group, LLC nor any of its supervised persons have been involved in any of the following:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

E. Material Relationships That Management Persons Have with Issuers of Securities (If Any)

Neither Pacific Specialty Investment Group, LLC nor any of its management persons have any relationship with any issuer of securities.

Item 20: Business Continuity Plan (BCP)

Pacific Specialty Investment Group has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – if after a significant business disruption you cannot contact us as you usually do at (949) 253-4000, you should call one of our alternative numbers (949) 892-

0151 or (714) 476-4416. If you cannot access us through any of these numbers, you should contact our custodian, TD Ameritrade at (800) 431-3500 for instructions on how it may provide prompt access to funds and securities, enter orders and provide other trade-related transactions to our customers.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternative physical location of employees; critical suppliers, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our custodian, TD Ameritrade, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our custodian that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments in a fast and prompt manner. Your orders and request for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm we will transfer our operations to a local site when needed and expect to recover and resume business within 3-5 business days. In a disruption affecting our business district, city or region, we will transfer our operations to a site outside of the affected area, and recover and resume business as quickly as possible. In either situation, we plan to continue in business, transfer operations to custodian if necessary, and notify you through email or phone on how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer’s prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you may contact us at (949) 253-4000 or sparent@psinvestmentgroup.com.