

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

Form ADV, Part 2A, Item 1

***Cover Page***

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**THE JOHNSTON GROUP, LLC**

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**4/13/2016**

**FORM ADV PART 2  
FIRM BROCHURE**

**This brochure provides information about the qualifications and business practices of The Johnston Group, LLC. If you have any questions about the contents of this brochure, please contact us at (612) 337-5030. 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 The Johnston Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for The Johnston Group, LLC is 282660.**

**The Johnston Group, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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***Material Changes***

This brochure provides prospective clients with information about The Johnston Group, LLC that should be considered before or at the time of obtaining our advisory services.

This brochure is required to be updated at least annually, or sooner when material changes to our business take place.

Each year we will deliver to you, by no later than April 30th, a free updated brochure that includes or is accompanied by a summary of material changes; or a summary of material changes and an offer to provide a copy of the updated brochure and how to obtain it.

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## **Form ADV Part 2A, Item 4**

### ***Advisory Business***

The Johnston Group, LLC (hereinafter referred to as “we”, “us” or “TJG”) is a registered investment adviser based in Minneapolis, Minnesota. Founded in 1994, TJG previously offered its services through another registered investment adviser, but became independently registered with the Securities and Exchange Commission in 2016. TJG provides investment advice and portfolio management services on a continuing basis, which typically include a review of client investment objectives and goals and the recommendation of asset allocation strategies for managed assets. Types of investments may include: exchange traded funds (“ETFs”), equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, and U.S. government securities. Our investment advice is tailored to meet our clients’ needs and investment objectives. We provide investment advisory and other financial services through our investment advisory representatives (“IARs”). Customized portfolios are available to individuals, pension and profit sharing plans, corporations, trusts, estates and charitable organizations.

TJG is wholly owned by Bradley Johnston, its President and Chief Compliance Officer. TJG is registered under the Investment Advisers Act of 1940 and is subject to the rules and regulations thereunder.

### **Asset Management**

TJG provides fee-based discretionary investment advisory services through managed portfolios. We assist each client in determining the suitability of investments for his or her portfolio. Our advisory services include the following:

- Performing due diligence
- Recommending strategic asset and style allocations
- Providing research on investment product options, as needed
- Providing client risk profile questionnaires
- Entering into investment advisory contracts with clients
- Obtaining financial, risk tolerance, suitability and investment vehicle selection information
- Performing client suitability checks on account documentation, reviewing the investment objectives and evaluating the investment vehicle selections
- Providing a current Firm Brochure (this document)

Clients may impose restrictions on investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.) by providing a signed and dated written notification, of which an e-mail is also an acceptable form of notification.

### **Schwab Institutional Intelligent Portfolios**

TJG provides certain portfolio management services through Institutional Intelligent Portfolios, an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the “Program” and “SWIA,” respectively). Through the Program, TJG offers clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”) and a cash allocation. The client may instruct TJG to exclude up to three ETFs from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at SWIA’s affiliate, Charles Schwab & Co., Inc. (“CS&Co”). TJG is independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, “Schwab”). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios Disclosure Brochure (the “Program Disclosure Brochure”), which is delivered to clients by SWIA during the online enrollment process.

TJG, and not Schwab, are the client’s IAR are the primary point of contact with respect to the Program. TJG and its IAR are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. SWIA’s role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure. TJG has contracted with SWIA to provide the technology platform and related trading and account management services for the Program. This platform enables TJG to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps TJG determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that TJG and its IAR will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but TJG and its IAR then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which TJG and the IAR manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

TJG does not receive a portion of a wrap fee for its services to clients through the Program. Clients do not pay fees to SWIA in connection with the Program, but TJG charges clients a fee for its services as described below.

Clients eligible to enroll in the Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is \$5,000.

The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. TJG has directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. TJG does not vote proxies on behalf of clients.

### **Sub-Advisory Services**

As part of our investment advisory services, we may recommend that you use the services of a sub-adviser to manage some or all of your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a third-party registered investment adviser for discretionary asset management services. Factors that we take into consideration when making our recommendation include, but are not limited to, the following: the sub-adviser's performance, methods of analysis and fees, and your financial needs, investment goals, risk tolerance, and investment objectives. TJG may select and terminate the services of sub-advisers. However the client must provide written authorization to move assets away from a sub-adviser to a new sub-adviser. We will periodically monitor the sub-adviser's performance to ensure its management and investment style remain aligned with your investment goals and objectives. TJG will review the calculations on the client's quarterly statements for accuracy. TJG will assist clients in all paperwork including, but not limited to a risk tolerance or similar document, new account forms, and all other fact finding paperwork.

We do not charge you a separate fee for the selection of other advisers and we will share the advisory fee disclosed in this brochure (See Item 5 "Fees and Compensation" section) with the sub-adviser. The advisory fee is generally automatically deducted by the custodian, and TJG will pay the sub-advisor directly for their asset management services. We will fully disclose to you the fees and compensation structure of the sub-adviser should we recommend these services to you. You will be required to sign TJG's Investment Advisory Agreement as well as an investment advisory agreement with the sub-adviser, in addition to any new account forms in order for the sub-adviser to provide its services. You may terminate your advisory relationship with the sub-adviser according to the terms of the sub-adviser's investment advisory agreement.

### **Financial Planning**

TJG uses a unique method, Wealthcare360, as a periodic process to reduce measurement variability in the planning process. Wealthcare 360 consists of four elements: Personal Strategy Map, Comfort Compass, Future Focus and Wealthcare Advantage.

As of April 13, 2016, on or about the date our initial application for registration was filed, we managed client assets of \$0 on a discretionary basis and \$0 on a non-discretionary basis.

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### ***Fees and Compensation***

TJG charge fees based on the type of service provided.

### **Asset Management**

Fees are charged in advance and are based primarily on asset size and the level of complexity of the services provided. In individual cases, TJG has the sole discretion to negotiate fees that are lower than the standard fee shown or to waive fees. Fees are not based on capital gains or capital appreciation of a client's assets. Comparable services for lower fees may be available from other sources. Fees for the initial quarter will be prorated based upon the number of calendar days in the calendar quarter that the advisory agreement is in effect. Fees are based on the market value of the assets on the last business day of the quarter. Annual fees range from .60% - 1.20% depending on the amount of assets under management – See chart below. Consulting services are included in these fees for asset management services with the exception of unique circumstances that may require a separate agreement for financial planning services (description and fees are discussed below). If the situation warrants separate financial planning fees, it will be discussed upfront and a separate agreement will be negotiated.

Fee Schedule for Asset Management:

Total Account Value	Maximum Annual Advisory Fee
\$0 - \$1,000,000	1.20%
\$1,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	0.80%
Over \$10,000,000	0.60%

As authorized in the client agreement, the account custodian withdraws TJG's advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodian in turn remits these fees to TJG. The custodial statement includes the amount of any fees paid directly to TJG to manage the account. TJG also sends quarterly invoices detailing the manner and amount of advisory fees to all clients. You should compare the statement we prepare to your custodian/broker-dealer's statement and verify the calculation of fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations. If the account does not contain sufficient funds to pay advisory fees, TJG has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. With the exception of IRA accounts, clients may reimburse the account for advisory fees paid to TJG.

Fees are charged in advance on a quarterly basis, meaning that advisory fees for a quarter are charged on the first day of the quarter, based on the amount of assets under management as of the last business day of the previous quarter. Clients may terminate investment advisory services

obtained from TJG, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with TJG. The client is responsible for any fees and charges incurred by the client from third parties as a result of maintaining the account, such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Thereafter, the client may terminate advisory services upon 30 days' written notice delivered to and received by TJG. A client who terminates investment advisory services during a quarter is charged a prorated advisory fee based on the date of TJG's receipt of the client's written notice to terminate. Any earned but unpaid fees are immediately due and payable.

### **Financial Planning**

Financial planning services are generally charged in arrears through an hourly or fixed fee arrangement as agreed upon between the client and TJG. There will never be an instance where \$1,200 or more in fees is charged six or more months in advance. Fees are negotiable and vary depending upon the complexity of the client's situation and services to be provided. Hourly fees range from \$250 - \$500 per hour depending on the scope and complexity of the services provided. Similar financial planning services may be available elsewhere for a lower cost to the client.

Fixed fees may be charged for project-based financial planning services. There is a \$10,000 minimum annual retainer for fixed fee services, which is charged on a monthly basis. For educational workshops, the fee ranges from \$5,000 - \$250,000.

Clients may be invoiced monthly for all time spent by TJG as agreed upon by client or upon completion of the services if more than a month. Clients who wish to terminate the planning process prior to completion may do so with written notice. Upon receipt of written notification, any earned fee will immediately become due and payable. A client may terminate an advisory agreement without being assessed any fees or expenses within five (5) days of its signing.

### **Additional Fees and Expenses**

In addition to advisory fees paid to TJG as explained above, clients may pay custodial service, account maintenance, transaction, and other fees associated with maintaining an account. These fees vary by broker and custodian. Clients should ask TJG for details on transaction fees or other custodial fees specific to their account, as these fees are not included in the annual advisory fee. TJG does not share any portion of such fees. Additionally, for any mutual funds purchased, the client may pay their proportionate share of the funds' distribution, internal management, investment advisory and administrative fees. Such fees are not shared with TJG and are compensation to the fund manager. Clients are urged to read the mutual fund prospectus prior to investing.

Mutual funds purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly with the mutual fund company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company.

Please refer to Item 12 "Brokerage Practices" of this brochure for additional information.



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***Performance-Based Fees and Side-By-Side Management***

TJG does not charge performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or appreciation of the assets of a client. Our fees are calculated as described in Fees and Compensation section above, and are not charged on the basis of performance of your advisory account.

Form ADV, Part 2A, Item 7

***Types of Clients***

TJG's client base consists primarily of high net worth individuals and corporations. We also offer our services to pension and profit sharing plans, charitable organizations and other businesses. In general, a minimum account size is not required to open and maintain an advisory account.

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***Methods of Analysis, Investment Strategies, and Risk of Loss***

TJG's methods of analysis and investment strategies incorporate the client's needs and investment objectives, time horizon, and risk tolerance. TJG is not bound to a specific investment strategy for the management of investment portfolios, but rather considers the risk tolerance levels determined at account opening, as well as on an on-going basis. Examples of methodologies that our investment strategies may incorporate include:

**Asset Allocation** – Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

**Dollar-Cost Averaging** – Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This may gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

**Long-Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Short-Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Our strategies and investments may have unique and significant tax implications. Regardless of your account size or other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Investing in securities involves risk of loss that you should be prepared to bear. Although we manage your portfolio with strategies and in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Regardless of the methods of analysis or strategies suggested for your particular investment goals, you should carefully consider these risk factors.

Form ADV, Part 2A, Item 9

### ***Disciplinary Information***

We are required to report any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. Neither TJG nor any of our management persons have had any reportable events pursuant to this item.

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

Our IARs may be licensed independent insurance agents for various companies not affiliated with TJG. This may present a conflict of interest because it gives the IARs an incentive to recommend products based on the compensation amount received. This conflict is mitigated by the fact that our IARs have a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any insurance products. Clients have the option to purchase these products through another insurance agent of their choosing. TJG and its employees do not have any other financial industry activities or affiliations.

As described under Item 4 – Advisory Business, TJG may recommend that you use the services of a sub-adviser to manage some or all of your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a third-party registered investment adviser for discretionary asset management services. We may share the fees we collect from you with the sub-adviser. We are not compensated by sub-advisers.

Form ADV, Part 2A, Item 11

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

TJG's Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect client interests at all times and to demonstrate our commitment to fiduciary duties of honesty, good faith, and fair dealing. All of TJG's Associated

Persons are expected to strictly adhere to these guidelines. Persons associated with TJG are also required to report any violations of the Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about our clients or client accounts by persons associated with us.

TJG and its employees may buy or sell securities that are also held by clients. Our Code of Ethics states that our employees are prohibited from purchasing or selling any security prior to the transaction being implemented for a client's account. The purpose of this policy is to prevent our employees from personally benefiting from transactions placed on behalf of our advisory clients.

TJG and its employees may have an interest or position in securities that we recommend to our clients. Because these situations may present a conflict of interest, we have established the following restrictions in order to meet our fiduciary responsibilities:

1. A director, officer or employee of TJG shall not buy or sell a security for his or her personal portfolio(s) where the investment decision is substantially derived, in whole or part, by reason of his or her employment, unless the information is also available to the investing public. No director, officer or employee of TJG shall prefer his or her own interest to that of any client.
2. TJG maintains a list of all securities held by it and its directors, officers, and employees. These holdings are reviewed on a quarterly basis by the Chief Compliance Officer..
3. TJG requires that all employees must act in accordance with all applicable federal and state regulations governing registered investment advisers.
4. TJG may include personal trades in a block with client trades; however TJG will ensure that clients are never at a disadvantage.

TJG's Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Bradley Johnston at (612) 337-5030.

Form ADV, Part 2A, Item 12

### ***Brokerage Practices***

TJG recommends broker-dealers based on the broker's services. We generally recommend Charles Schwab & Co. as the custodial broker for our clients. In considering which independent qualified custodian to recommend, we evaluate the following factors, among others:

- Financial strength
- Reputation
- Reporting capabilities
- Execution capabilities
- Pricing, and
- Types and quality of research

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including research, market information, and administrative services that help our firm manage your account(s). We believe that Charles Schwab & Co. provides quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

### **Schwab Institutional Intelligent Portfolios.**

As described in Item 4 – Advisory Business, certain of our clients may be enrolled in the Program. TJG does not pay SWIA fees for its services in the Program so long as TJG maintains \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If TJG does not meet this condition, then it pays SWIA an annual fee of 0.10% (10 basis points) on the value of its clients' assets in the Program. This fee arrangement gives TJG an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co. Clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described below.

In addition to TJG's portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the SEC and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. TJG does not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then TJG cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like TJG. Through Schwab Advisor Services, CS&Co provides us our clients, both clients enrolled in the Program and clients not enrolled in the Program, with access to its institutional brokerage services - trading, custody, reporting and related services - many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help TJG manage or administer our clients' accounts while others help TJG manage and grow our business. CS&Co's support services described below are generally available on an unsolicited basis and at no charge to TJG. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for TJG's clients.

CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment

products available through Schwab include some to which TJG might not otherwise have access or that would require a significantly higher minimum initial investment by TJG's clients. CS&Co's services described in this paragraph generally benefit the client and the client's account. CS&Co also makes available to TJG other products and services that benefit TJG, but may not directly benefit the client or its account. These products and services assist TJG in managing and administering its clients' accounts. They include investment research, both Schwab's own and that of third parties. TJG may use this research to service all or some substantial number of its clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that provide access to client account data (such as duplicate trade confirmations and account statements); facilitate trade execution and allocate aggregated trade orders for multiple client accounts; provide pricing and other market data; facilitate payment of TJG's fees from our clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

### **Other Broker Dealers**

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer. Although we could use a portion of any commission received by such broker dealers to pay for certain research services, information, advice or data that meet the safe harbor provisions of Section 28(e) of the Securities Exchange Act, we do not currently participate in such "soft dollar" arrangements.

TJG does not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Aggregation of Trades**

When TJG buys or sells the same security for two or more clients (including our personal accounts), we may place concurrent orders to be executed together as a single "block" in order to facilitate orderly and efficient execution. Each client account will be charged or credited with the average price per unit. We receive no additional compensation or remuneration of any kind because we aggregate client transactions. No client is favored over any other client. If an order is not completely filled, it is allocated pro-rata based on an allocation statement prepared by TJG prior to placing the order. Because of an order's aggregation, some clients may pay higher transaction costs, or greater spreads, or receive less favorable net prices on transactions than would otherwise be the case if the order had not been aggregated. TJG may choose to aggregate orders for its proprietary or personnel's accounts with those of its clients. TJG will receive no additional compensation or remuneration resulting from the aggregation of client transactions.

### ***Review of Accounts***

Accounts are managed on a continuous basis and are reviewed at least quarterly by our President, Bradley Johnston. Trades are reviewed on a daily basis. Confirmations of all buys and sells are sent to the client by the custodian, unless the client opts to suppress confirmations, if available to do so. Statements are provided to the client from the custodian at least quarterly if there is no activity, and monthly if there is activity. In addition, clients may receive a quarterly performance report. IARs may meet with clients as frequently as is agreed or as requested by the client or IAR, but will meet with the clients at least annually. Investment Policy Statements will be discussed and implemented.

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### ***Client Referrals and Other Compensation***

TJG does not compensate any individual or firm for client referrals.

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### ***Custody***

Any investment adviser having custody or access to customer funds or securities must comply with certain rules and regulations designed to protect the clients' assets. Rule 206(4)-2 of the Investment Advisers Act of 1940 details strict requirements governing investment advisers that have "custody" over client securities or funds. TJG meets the definition of having custody due to the following circumstances:

- TJG directly debits fees from client accounts

TJG does not have physical custody of any client funds or securities. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian. You will receive account statements from the independent, qualified custodian holding your funds at least quarterly. The account statement from your custodian will indicate the amount of advisory fees deducted from your account(s) each billing cycle. You should carefully review statements received from the custodian. TJG also sends quarterly invoices detailing the manner and amount of advisory fees to all clients.

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### ***Investment Discretion***

Before TJG can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a limited power of attorney, and trading authorization forms. By choosing to do so, you grant us discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may impose limitations on our discretionary authority to invest in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.), as well as other limitations that you communicate to us. Limitations on discretionary

authority are required to be provided to the IAR in writing. Please refer to the “Advisory Business” section of this Brochure for more information on our discretionary management services.

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### ***Voting Client Securities***

TJG does not vote proxies on behalf of client advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event TJG were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized us to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

A written copy of our proxy policies and procedures is available upon request.

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### ***Financial Information***

TJG’s financial condition is sound with no issues that are likely to impair our ability to meet our contractual client commitments. TJG is not required to provide financial information to our clients because we do not require or solicit the prepayment of more than \$1,200 six or more months in advance.

Form ADV, Part 2A, Item 19

### ***Requirements for State Registered Advisers***

TJG is registered with the Securities and Exchange Commission, therefore this section is not applicable.