

**Form ADV: Part 2**  
**March 30, 2020**

**Girard Pension Services, LLC**  
4600 Broadway  
Allentown, Pennsylvania 18104  
Telephone: 610-821-1331

This brochure provides information about the qualifications and business practices of Girard Pension Services, LLC. If you have any questions about the contents of this brochure, please contact us at 610-821-1331. 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.

Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Girard Pension Services, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

This brochure represents a narrative style required by the Securities and Exchange Commission as mandated by Release No. IA-3060. There have been no material changes to this brochure since the last update in March of 2019.

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# **ADVISORY BUSINESS**

## **Firm Description and Principal Owners**

Girard Pension Services, LLC (“GPS” or “Advisor”) was founded as an Investment Advisor Firm in 1997 under the name TCG Investment Advisory, Inc. In 2008, the Advisor's owner became Univest Bank and Trust Co. which is a wholly owned subsidiary of Univest Financial Corporation, a public reporting company listed on NASDAQ as UVSP. Beginning in 2019, the Advisor changed its name from TCG Investment Advisory, Inc. to Girard Pension Services, LLC and its statutory entity structure to a limited liability company.

Advisor specializes in providing investment management and pension consulting services to clients who are municipalities located in the state of Pennsylvania and their related pension plans.

## **Amount of Client Assets Managed by Our Firm**

As of December 31, 2019, the Advisor had discretionary assets under management of \$429,331,361; Non-discretionary assets under management of \$3,782,286; and total assets under management of \$433,113,647.

## **Types of Services Offered**

GPS offers the following advisory services to our clients and they may choose to use any or all of these services.

## **Investment Policy Statement Preparation (hereinafter referred to as “IPS”)**

GPS will meet with a client to determine the client’s investment needs and goals. GPS will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance. This process will take into account any limitations placed on the types or quantity of investments that may be required by state, county or local statute or ordinance.

## **Selection of Investment Vehicles**

When implementing a client’s IPS, Advisor’s selection of investments consists of a combination of one or all of the following: exchange traded funds (ETF), mutual funds and an annuity platform.

## **Portfolio Management**

GPS provides *Investment Supervisory Services*, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client’s particular circumstances are

established, GPS develops a client's investment strategy and creates and advises a portfolio based on that strategy. GPS may manage advisory accounts on a discretionary and non-discretionary basis (See Item 16 regarding investment discretion). Account supervision is guided by the stated objectives of the client.

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

### **Monitoring of Investment Performance**

Client investments will be monitored continuously based on the procedures and timing intervals delineated in the Investment Policy Statement. GPS will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

## **FEES AND COMPENSATION**

### **Investment Advisory Fees**

Fees for investment management services are generally charged based on a percentage of assets under management. Fees are payable when services are rendered and will be documented in the advisory agreement with the client.

Advisory fees are deducted directly from client account assets held by the designated custodian and requests for fee liquidations are processed through a third-party administrator, transfer agent, or custodian of the plan assets. Clients are provided with quarterly statements reflecting all holdings and activity, including deduction of the Advisory fee.

All investment advisory fees are paid each quarter in advance and are based on the value of all assets (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), being managed as of the end of the prior calendar quarter.

Fees and account minimums may differ and vary between clients because of the size of the account, the services provided, changing market conditions, other market-driven competitive factors, or other reasons.

Clients utilizing the TD platform will be charged an asset management fee by GPS that includes the cost of portfolio management services, custodial services and the execution of securities transactions. This arrangement is considered to be a wrap program since clients are paying an asset based fee in lieu of transaction fees. Clients participating in this Program are required to

establish their account(s) at TD Ameritrade, Inc. (TD), an unaffiliated securities broker dealer and member FINRA/SIPC. You will pay a single fee to us for participation in the Program as described above. We will then pay TD their fees, for custodial and trade execution services provided, based on the amount of assets contained in your account. You are required to authorize our firm to debit the fee from your account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

When establishing a Program account, you should be aware that the overall cost to you of the Program may be higher or lower than you might incur by purchasing separately the types of services available in the Program. Depending upon the percentage wrap-fee charged by our firm (as described above), the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately. In order to compare the cost of the Program with unbundled services, you should consider the potential trading activity to be conducted in the account, transaction costs, custodial fees and advisory fees that would be charged at TD or other broker-dealers and investment advisers.

The firm has established a flat fee with TD Ameritrade as the custodian and clearing firm for trade execution and custodial services based on a percentage of assets in an account participating in the Program. With this fee structure, the firm does not have an incentive or disincentive to conduct trades in a client account and therefore helps to limit this potential conflict of interest.

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

## **Other Fees and Expenses**

All fees paid to GPS for investment advisory services are separate and distinct from the fees and expenses that are paid by clients who purchase ETFs, annuity products and mutual funds. These fees and expenses are described in each product's prospectus. These fees may include, but are not limited to asset management fees, administrative fees, and transaction fees. Investments in mutual funds and annuities may also incur distribution fees which may include up front or deferred sales charges.

## **Other Compensation**

GPS provides actuarial, administrative, compliance and consulting services exclusively to non-ERISA Pennsylvania Act 205 municipal pension plans. Compensation for these services may be billed directly to a client or received by GPS or an affiliated company in the following ways:

For clients utilizing the services of Matrix Settlement & Clearance Services, LLC (MSCS) and Broadridge/Matrix Trust Company for brokerage and custodial services (See Item 12, Brokerage Practices), these companies have entered into sponsorship or revenue sharing arrangements with

mutual fund companies made available on their platform. Broadridge/Matrix Trust Company as the custodian retains a portion (10% plus transaction, custodial and service fees) of the revenue received from these companies in which GPS client assets have been invested for the services it provides to our client's plans. Broadridge/Matrix Trust then pays the remainder of the revenue to GPS to compensate for services GPS provides to the plan.

Clients utilizing a group annuity or variable annuity product on the Nationwide platform will typically pay an asset based fee that is deducted from the funding options available within the annuity product and is paid to an affiliate of GPS by the product sponsor to compensate for services GPS provides to the plan.

The above fees are in lieu of charging a plan separately for these services and may be more or less than what would be charged separately. Our clients may enter into a separate direct billing arrangement with our firm or another vendor for these services at their discretion. The fees described present a conflict of interest as the Advisor or an affiliated firm will benefit from receiving additional compensation and this may have the potential to affect the judgment of the advisor when making investment recommendations including foregoing the use of less expensive mutual fund share class options or service providers. The compensation received by GPS and its affiliates may exceed the compensation received by GPS for investment advisory services.

A client could invest in mutual funds or group annuity products without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Clients also receive significant other services that are not paid for or provided through the investment advisory agreement. Accordingly, the client should review the fees charged by the funds, the fees incurred through the platform, and our investment advisory fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the services being provided.

For clients utilizing the TD Platform, a related person of GPS, Girard Advisory Services, LLC (GAS), receives additional economic benefits ("Additional Services") from TD Ameritrade that may or may not be offered to other independent investment advisors. Specifically, the Additional Services to be provided to GAS are in the form of TD Ameritrade paying for the services of vendors used by GAS for portfolio management, investment screening and other services that enhance the investment process of GAS. TD Ameritrade provides the Additional Services in its sole discretion and at its own expense. GAS' receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to GAS, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, GAS' and GPS' client accounts maintained with TD Ameritrade. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, GAS and GPS have an incentive to recommend to its clients that the assets under management be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. GAS receipt of Additional Services does not diminish GAS' and GPS' duty to act in the best interests of their clients, including seeking best execution of trades for client accounts.

## **PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT**

Girard Pension Services, LLC does not charge performance based fees.

## **TYPES OF CLIENTS**

Girard Pension Services, LLC provides services to municipal government entities located in the state of Pennsylvania.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Advisor's investment philosophy is based on the principals of asset allocation and diversification. The investment philosophy leads to diversification among different asset classes. Investments may include ETF's and mutual funds that are comprised of domestic and foreign equities, (exchange listed or over-the-counter), real estate investment trusts and a variety of fixed income securities including US Treasuries, agencies, mortgage- backed securities, corporate debt and municipal debt.

GPS utilizes a proprietary research process to select ETFs and mutual funds. GPS also utilizes outside third party research to help with investment analysis. An approved list of mutual funds and ETFs is maintained by the Investment Committee, which is charged with the function of determining which investments are added and subtracted from the approved list.

There are a number of risks associated with the investment strategies offered by the Advisor. Generally, clients are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and falling prices. Such risk may vary based on the percentage of stocks held in a given mutual fund, ETF and portfolio strategy.

Bonds are subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary based on the percentage of bonds owned in a given strategy. In addition, long-term bonds have a higher interest rate risk and are much more sensitive to interest rate changes than are the prices of short-term bonds. Bonds are also subject to credit risk, the chance that a bond issuer will fail to pay interest and principal in a timely manner or, that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Finally, some bonds may be subject to call risk. This is the chance that in a declining interest rate environment the issuer of a bond will repay or call securities with higher coupons before their maturity dates.

In addition, investments in specific asset classes entail different investment risks. For example, small cap stocks tend to be more volatile than large or mid-cap stocks. International stocks and emerging markets include risks due to currency fluctuations, foreign taxes, political instability and possibility of illiquid markets. Real estate investing includes risks such as declines in the value of real estate, changing economic conditions, and changes in tax laws or property taxes.

Advisor utilizes a long term approach to investing and typically will not attempt to time the markets. Advisor will typically stay committed to its investment allocation and not seek to liquidate a portfolio to avoid market losses. The strategic or tactical asset allocations employed by the Advisor do not assure profit or protect against loss in declining markets.

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

## **DISCIPLINARY INFORMATION**

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

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

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATION**

Girard Investment Services, LLC (GIS) is an affiliate of GPS and is a FINRA registered broker/dealer. Ronald H. Bittner, Michael G. Davisson and Barry W. Keck, are registered representatives of GIS and have the ability to offer investment products and services to clients through this affiliation and receive customary compensation. GIS is also a licensed insurance agency and the aforementioned representatives that have an insurance license may also offer insurance products and services to clients through this affiliation and receive customary compensation.

Girard Benefits Group, LLC ("GBG"), is a Pennsylvania licensed insurance agency. Mr. Davisson and Mr. Keck are licensed insurance agents and may offer insurance products and services to clients of GPS through their association with GBG. Mr. Davisson, Mr. Keck and/or GBG receive commissions, administrative fees and/or asset based fees for products and services provided to clients of GPS.

GPS provides actuarial, administrative and consulting compliance services exclusively to non-ERISA Pennsylvania Act 205 municipal pension plans. Mr. Ronald Bittner is a Senior Pension Consultant of GPS.

These individuals may spend as much as 30% of their time with all of these affiliated entities and/or activities.

These affiliated companies and employees may be engaged in activities for which they receive additional compensation that is separate and distinct from fees paid to GPS for advisory services. This compensation may be substantial and may exceed the advisory fees that are received. Clients should be aware that the receipt of additional compensation can create a potential conflict of interest.

We have established policies and procedures in order to address potential conflicts of interest. These policies and procedures include the following:

- We require that our employees seek prior approval of any outside employment activity so we may ensure any conflicts of interest in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify any conflicts of interest continue to be properly addressed by our firm; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

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

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

GPS' Code of Ethics includes the firm's policy of prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of Ethics is available to our clients and prospective clients. You may request a copy by email sent to [hellingsst@meetgirard.com](mailto:hellingsst@meetgirard.com) or by calling 610-821-1331.

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

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

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

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

## **BROKERAGE PRACTICES**

### **Selecting a Brokerage Firm**

The Advisor makes recommendations to clients regarding broker/dealers to be used for transactions and the custody of client assets for which Advisor provides Investment Supervisory Services. Our recommendations are based on the level of customer service and support, the availability of mutual funds on the custodian platform, and pricing to the client for the best execution of transactions. GPS utilizes Matrix Settlement & Clearance Services, LLC for brokerage and transaction related services and its affiliate, Broadridge/Matrix Trust Company, for custodial services. GPS also utilizes the services of TD Trust Company ("TD") for brokerage transactions and custodial services. GPS is not affiliated with any of these companies. GPS has also entered into an agreement with one or more insurance companies that allows for the management of client assets that may be on an annuity platform. In this instance, it is the responsibility of the sponsoring insurance company to arrange and provide for transaction and custodial related services.

Clients may request that brokerage transactions be directed to a particular broker dealer. However, if GPS believes the use of that broker dealer would hinder Advisor from meeting its supervisory obligations, GPS will not be able to accept the account. In directing the use of a particular broker or dealer, it should be understood that GPS will not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

## **Block Trading**

Block trading permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. GPS does not currently conduct block trading.

## **REVIEW OF ACCOUNTS**

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

Barry Keck discusses changes in investment options at the quarterly Wealth Management Investment Committee Meeting.

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

Barry Keck conducts these reviews with the clients.

**Reports:** In addition to the quarterly statements and confirmations of transactions and account activity that clients receive from their broker dealer or custodian, GPS provides written periodic reports summarizing account performance, balances and holdings. These reports are designed to provide our clients with additional information regarding their accounts but are not intended to replace the statements and confirmations received from a broker/dealer or custodian.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

GPS does not pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us.

### **Other Compensation**

GPS' associated persons may occasionally attend educational events that are hosted and paid for by mutual fund and annuity companies, and other service providers. GPS' participation in such events may create a conflict of interest as the possibility of receiving any such incentives may have the potential to affect the judgment of these individual when making investment recommendations. Attendance at such events is not predicated on the firm achieving any required sales quotas or goals with a sponsoring company. GPS endeavors at all times to put the interest of our clients first as part of our fiduciary duty.

## **CUSTODY**

GPS previously disclosed in the “Fees and Compensation” section of this Brochure that our firm directly debits advisory fees from client accounts. For this reason, GPS is considered to have limited custody of client assets.

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

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their GPS quarterly statements, fee invoice, and calculation to verify the accuracy of the fee calculation, among other things, and confirm this amount against what is reflected on the custodian’s statement. Clients should contact GPS directly if they believe there may be an error on their statement.

In addition to the statements that clients receive directly from their custodians, which are typically provided monthly, or no less than quarterly, depending on whether there was activity in an account, GPS also sends account statements to certain clients on a quarterly basis that are prepared separately by our firm. GPS urges our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Clients should contact GPS directly if they believe there may be an error on their statement(s).

GPS does not have actual or constructive custody of client accounts or assets beyond the firm’s limited custody for deducting advisory fees.

## **INVESTMENT DISCRETION**

Clients may hire GPS to provide discretionary asset management services, in which case GPS places trades in a client’s account without contacting the client prior to each trade to obtain the client’s permission. GPS’ discretionary authority includes the ability to do the following without contacting the client:

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

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

## **VOTING CLIENT SECURITIES**

GPS does not vote proxies on behalf of clients. Therefore, although GPS may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for

(1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. GPS does not offer any consulting assistance regarding proxy issues to clients.

## **FINANCIAL INFORMATION**

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

As an advisory firm that maintains discretionary authority for client accounts, GPS is also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. GPS has no additional financial circumstances to report. GPS has not been the subject of a bankruptcy petition at any time during the past ten years.