

The Pillar Strategies

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ADV Part 2A, Firm Brochure

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This brochure provides information about the qualifications and business practices of The Pillar Strategies (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (908)782-0001. 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 Pillar Strategies also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to The Pillar Strategies as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

No material changes have been made to this Brochure since our last Annual Amendment filing on March 30, 2019.

The Pillar Strategies' Chief Compliance Officer, Roy E. Williams, remains available to address any questions that an existing or prospective client may have regarding this Brochure.

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Item 4 **Advisory Business**

- A. The Pillar Strategies (the “Registrant”) is a trade name for Prestige Wealth Services Group, Inc., a corporation that was formed in November 2012 in the state of Delaware. The Registrant became registered as an Investment Adviser Firm in January 2013. Roy Williams is the sole owner and the Registrant’s Managing Member.
- B. As discussed below, the Registrant offers to its clients (other investment advisory firms) sub-investment advisory services. The Registrant does not provide financial planning services.

INVESTMENT ADVISORY SERVICES

The Registrant provides discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management.

Unified Managed Accounts. In conjunction with the Registrant’s investment management services, the Registrant sponsors a Unified Managed Accounts (“UMA”) (a professionally managed private investment account that is rebalanced regularly and can encompass various investment vehicles including, but not limited to mutual funds, stocks, bonds, master limited partnerships (“MLPs”) and exchange traded funds (“ETFs”), all in a single account). As the sponsor for the UMA, the Registrant is responsible for portfolio trading, re-balancing, reporting and other administrative responsibilities.

PRESTIGE VIRTUAL PORTFOLIOS

Clients may choose to engage Registrant to provide investment management services utilizing the Institutional Intelligent Portfolios™ Program, relative to investment accounts with market values of at least \$5,000 through the Registrant’s Virtual Portfolios (“Virtual Portfolios”). Institutional Intelligent Portfolios™, is an automated, online investment management platform for use by independent investment advisors offered by software provider Schwab Performance Technologies (“SPT”). Through Virtual Portfolios, the Registrant offers clients a range of investment strategies we have constructed and manage. The client’s portfolio is held in a brokerage account opened by the client at SPT’s affiliate, Charles Schwab & Co., Inc. (“CS&Co”). The Registrant is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co or their affiliates (together, “Schwab”).

The Registrant, and not Schwab, is the client’s investment advisor and primary point of contact with respect to Virtual Portfolios. The Registrant is solely responsible, and Schwab is not responsible, for determining the appropriateness of Virtual Portfolios 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.

The Registrant has contracted with SPT to provide us with the technology platform and related trading and account management services for Virtual Portfolios. This platform enables us to make Virtual Portfolios 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 us determine the client’s investment

objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that the Registrant 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 the Registrant then makes the final decision and selects a portfolio based on all the information Registrant has about the client. The System also includes an automated investment engine through which the Registrant manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

The Registrant does not receive a portion of a wrap fee for our services to clients through Virtual Portfolios. Clients do not pay fees to SPT in connection with Virtual Portfolios, but the Registrant charges clients a fee for our services as described below under Item 5. Registrant's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of Virtual Portfolios. Schwab does receive other revenues in connection with Virtual Portfolios, which are described in the "Compensation to Schwab Under Virtual Portfolios" section below.

The Registrant does not pay SPT fees for the Platform so long as it maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in Virtual Portfolios. If the Registrant does not meet this condition, then it must pay SPT an annual licensing fee of 0.10% of the value of its clients' assets in Virtual Portfolios. This arrangement presents a conflict of interest, as it provides an incentive for the Registrant to recommend that clients maintain their accounts at CS&Co. Notwithstanding, Registrant may generally recommend to its clients that they maintain investment management accounts at CS&Co. based on the considerations discussed in Item 12 below, which mitigates but does not eliminate this conflict of interest. Additionally, the Registrant, through Prestige Wealth Management Group ("PWMG"), an affiliated SEC registered investment adviser, may attempt to negotiate fees with SPT based upon assets maintained at CS&Co for PWMG clients.

Clients enrolled in Virtual Portfolios are limited in the universe of investment options available to them. For example, the investment options available are limited to ETFs, whereas Registrant recommends various other types of securities in its other services. Virtual Portfolios is designed to provide guidance and professional assistance to individuals who are beginning the process of accumulating wealth. Clients will have access to their accounts and a financial interface online but will also have the opportunity to confer with the Registrant with respect to their account.

Rebalancing

The System will rebalance a client's account periodically by generating instructions to CS&Co. to buy and sell shares of funds and depositing or withdrawing funds through the "Sweep Program", considering the asset allocation for the client's investment strategy. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an asset class varies by a set parameter established by the Registrant, (ii) Registrant decides to change asset allocation percentages for an investment strategy or (iii) Registrant decides to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their account.

Sweep Program

Each investment strategy involves a cash allocation (“Cash Allocation”) that will be held in a sweep program at Charles Schwab Bank (the “Sweep Program”). The Cash Allocation will be a minimum of 4% of an account’s value to be held in cash, and may be higher, depending on the investment strategy chosen for a client. The Cash Allocation will be accomplished through enrollment in the Sweep Program, a program sponsored by CS&Co. By enrolling in Virtual Portfolios, clients consent to having the free credit balances in their brokerage accounts at CS&Co. swept into deposit accounts (“Deposit Accounts”) at Charles Schwab Bank (“Schwab Bank”) through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of Virtual Portfolios. If the Deposit Account balances exceed the Cash Allocation for a client’s investment strategy, the excess over the rebalancing parameter will be used to purchase securities as part of rebalancing. If clients request cash withdrawals from their accounts, this likely will require the sale of fund positions in their accounts to bring their Cash Allocation in line with the target allocation for their chosen investment strategy. If those clients have taxable accounts, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with CS&Co., Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

MISCELLANEOUS

No Financial Planning or Non-Investment Consulting/Implementation Services. The Registrant does not provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc.

Registrant does not serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as legal, accounting, or insurance implementation services. Accordingly, the Registrant does not prepare estate planning documents, tax returns or sell insurance products.

To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of Registrant in their separate individual capacities as representatives Triad Advisors, a FINRA member broker-dealer (“*Triad*”) and/or as licensed insurance agents. The Registrant may also recommend the services of Prestige Wealth Accounting Group, LLC (“PWAG”), an affiliated accounting firm. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Registrant or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional (i.e. attorney, accountant, insurance agent, etc.), and not the Registrant, shall be responsible for the quality and competency of the services provided.

Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an

investment advisor. However, if a prospective client determines to do so, he/she will not receive the Registrant's initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply.

In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Sub-Advisory Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does sponsor or participate in a wrap fee program.
- E. As of December 31, 2019, the Registrant had approximately \$55,484,808 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The Registrant provides discretionary investment advisory services on a *fee* basis. The Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management. The Registrant's annual investment management fee shall be 0.50% of the value of the client's assets in the UMA.

PRESTIGE VIRTUAL PORTFOLIOS

When consistent with a client's investment objectives, the Registrant may provide portfolio management services through an automated, online investment management platform. Through the Program, the Registrant offers clients a range of investment strategies it has constructed and manages each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The Registrant's investment management fee for Program accounts shall be 1.00% of the market value of the assets placed under Registrant's management.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable.

Compensation to Schwab Under Virtual Portfolios

Clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of Virtual Portfolios. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that the Registrant selects to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

- B. Clients may elect to have the Registrant's advisory fees deducted from underlying client's custodial accounts. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend Charles Schwab & Co. Inc., member SIPC ("*Schwab*") or TD Ameritrade, Inc., member FINRA/SIPC ("*Ameritrade*"), (collectively, the "*Custodians*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as the *Custodians* charge

brokerage commissions and/or transaction fees for effecting certain securities transactions. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Asset Based Pricing Limitations: The Registrant may recommend that its clients enter into an asset based pricing agreement with the account custodian. Under an asset based pricing arrangement, the amount that a client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of the client's account, generally expressed in basis points. One basis point is equal to one one-hundredth of one percent (1/100th of 1%, or 0.01% (0.0001) (generally, the greater the market value, the lower the %)). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against your account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by you to the account custodian. We do not receive any portion of the asset based transaction fees payable by you to the account custodian. We continue to believe that our clients can benefit from an asset based pricing arrangement. You can request at any time to switch from asset based pricing to transactions based pricing. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by you to switch to transaction based pricing could prove to be economically disadvantageous.

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Sub-Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Sub-Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. **Commission Transactions.** In the event that the client desires, the client can engage certain of the Registrant's investment advisor representatives, in their individual capacities, as a registered representative of Triad Advisors, Inc. ("*Triad*"), a FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *Triad*, *Triad* will charge brokerage commissions to effect securities transactions, a portion of which commissions *Triad* shall pay to certain of Registrant's investment advisor representatives, as applicable. The brokerage commissions charged by *Triad* may be higher or lower than those charged by other broker-dealers. In addition, *Triad*, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.
1. The recommendation that a client purchase a commission product from *Triad* presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from the Registrant's investment advisory representatives.

2. Clients may purchase investment products recommended by Registrant through other, non-affiliated broker dealers or agents.
3. The Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the Registrant recommends to its clients.
4. When Registrant's representatives sell an investment product on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's representatives do not also receive commission compensation for such advisory services. However, a client may engage the Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's representatives on a separate commission basis.

The Registrant's Chief Compliance Officer, Roy E. Williams, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts, estates, and charitable organizations, pension and profit sharing plans. The Registrant does not require a minimum account size or a minimum fee for asset management services, however, a minimum investment of \$5,000 is required to participate in Virtual Portfolios.

The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:
 - Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various equity (stocks), debt (bonds), and fixed income securities, mutual funds, separately managed accounts, independent managers, MLPs and/or ETFs, on a discretionary basis in accordance with the client's designated investment objective(s).

RISKS SPECIFIC TO THE PRESTIGE VIRTUAL PORTFOLIOS

ETFs in which the strategy may invest involve certain inherent risks generally associated with investments in a portfolio of securities, including the risk that the general level of security prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held.

ETFs in which the strategies invest have their own fees and expenses as set forth in the ETF prospectuses. ETFs may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for the ETF.

Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that an ETF could not close out a position when it would be most advantageous to do so. Some ETFs available, including Schwab ETFs™, are less than 10 years old. Accordingly, there is limited data available to use when assessing the investment risk of some of these ETFs. As a result, one or more of the following may occur: (i) poor liquidity in or limited availability of the ETFs, or (ii) lack of market depth causing the ETFs to trade at excessive premiums or discounts.

Investment Strategy Risks. There are risks associated with the long-term core strategic holdings for each of the investment strategies. The more aggressive the investment strategy selected, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities.

The Registrant allocates investment management assets directed to Prestige Virtual Portfolios, on a discretionary basis, among one or more of its asset allocation programs (i.e. Aggressive, Moderately Aggressive, Moderate, and Conservative) as designated through the Program's investment risk analysis process. Registrant's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets:

1. **Initial Interview** – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** - the account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;

4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain securities;
8. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the Program; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant’s annual investment advisory fee may be higher than that charged by other investment advisers offering similar Programs. In addition to Registrant’s annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses).

Registrant’s investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. As disclosed above in Item 5.E, certain of Registrant’s investment advisory representatives are, in their individual capacities, also registered representatives of Triad Advisors, Inc. (“*Triad*”), a FINRA member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Other Investment Adviser Firm: Prestige Wealth Management Group, LLC**. The Registrant’s owner, Roy Williams, also owns Prestige Wealth Management Group, LLC (“*PWMG*”), an affiliated SEC registered investment advisor firm. The Registrant may refer certain clients to *PWMG* for advisory services. Neither the Registrant nor Mr.

Williams shall receive compensation for any referral made to *PWMG*. The recommendation by the Registrant that a client engage the investment advisory services of *PWMG* presents a conflict of interest as Mr. Williams receives a direct economic benefit from any such referral. No client is under any obligation to engage the services of *PWMG*.

PWMG may also provide certain back office support services to the Registrant, including access to fixed connection services, allowing for trade aggregation across multiple custodians. *PWMG* does not receive direct compensation from the Registrant for access to these back office support services.

Investment Adviser Representative of PWMG. Certain of the Registrant's investment advisor representatives are also investment adviser representatives of *PWMG*, an affiliated SEC registered investment adviser firm.

Registered Representatives of Triad As disclosed above in Item 5.E, certain of the Registrant's investment advisor representatives are registered representatives of *Triad*, a FINRA member broker-dealer. Clients may choose to engage, these representatives in their individual capacities as registered representatives of *Triad*, to implement investment recommendations on a commission basis

Licensed Insurance Agents. Certain of the Registrant's investment advisor representatives are, in their individual capacities, licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis.

Conflict of Interest: The recommendation by the Registrant or its representatives that a client purchase an insurance or securities commission product presents a conflict of interest. The recommendation to purchase a securities and/or insurance commission product is a conflict because the receipt of commissions and/or fees may provide an incentive for the recommendation based on commissions and/or fees to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from the Registrant's representatives. Clients are reminded that they may purchase securities and/or insurance products recommended by Registrant through other, registered representatives of a broker-dealer and/or unaffiliated insurance agents.

Accounting Firm. Registrant's member is also a member of Prestige Wealth Accounting Group, LLC ("PWAG"), an affiliated accounting firm. To the extent that PWAG provides accounting and/or tax preparation services to any clients, including clients of the Registrant, all such services shall be performed by PWAG, in its separate professional capacity, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by PWAG, referral or otherwise.

It is expected that the members of PWAG, solely incidental to their respective practices with PWAG, shall recommend the Registrant's services to certain of PWAG's clients. Although PWAG shall not receive referral fees from the Registrant, members of PWAG shall be entitled to receive distributions relative their ownership interest in Registrant. PWAG is not involved in providing investment advice on behalf of the Registrant, nor does PWAG hold itself out as providing advisory services on behalf of the Registrant.

The Registrant's Chief Compliance Officer, Roy E. Williams, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a

position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at the *Custodians*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Sub-Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending the *Custodians* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits. Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from the *Custodians* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to the *Custodians* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Roy E. Williams, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Prestige Virtual Portfolio Requirements

Client accounts enrolled in Virtual Portfolios are maintained at, and receive the brokerage services of, Schwab, a broker-dealer registered with the SEC and a FINRA/SIPC member. While clients are required to use CS&Co. as custodian/broker to enroll in Virtual Portfolios, the client decides whether to do so and opens its account with Schwab by entering into a brokerage account agreement directly with Schwab. The Registrant does not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then Registrant cannot manage the client's account through Virtual Portfolios. Schwab may aggregate purchase and sale orders for ETFs across accounts enrolled in Virtual Portfolios, including both accounts for Registrant's clients and accounts for clients of other independent investment advisory firms using the Platform.

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like Registrant. Through Schwab Advisor Services, Schwab provides the Registrant and its clients, both those enrolled in Virtual Portfolios and clients not enrolled in Virtual Portfolios, with access to its institutional brokerage services—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Registrant manage or administer its clients' accounts, while others help it manage and grow its business. Schwab's support services described below are generally available on an unsolicited basis (Registrant does not have to request them) and at no charge to Registrant. The availability of Schwab's products and services to Registrant is not based on Registrant giving particular investment advice, such as buying particular securities for its clients. Here is a more detailed description of Schwab's support services:

Schwab'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 Registrant might not otherwise have access or that would require a significantly higher minimum initial investment by Registrant's clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

Schwab also makes available to Registrant other products and services that benefit Registrant but may not directly benefit the client or its account. These products and services assist Registrant in managing and administering Registrant's clients' accounts. They include investment research, both Schwab's own and that of third parties. Registrant may use this research to service all or some substantial number of Registrant's clients' accounts, including accounts not maintained at Schwab in addition to investment research, Schwab 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 Registrant's fees from Registrant's clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help Registrant manage and further develop Registrant's business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Registrant. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Schwab may also provide us with other benefits such as occasional business entertainment of Registrant's personnel.

The availability of services from Schwab benefits Registrant because Registrant does not have to produce or purchase them. Registrant does not have to pay for these services, and they are not contingent upon Registrant committing any specific amount of business to CS&Co. in trading commissions or assets in custody. With respect to Virtual Portfolios, as described above under Item 4, Registrant does not pay SPT fees for the Platform so long as it maintain \$100 Million in client assets in accounts at Schwab that are not enrolled in Virtual Portfolios. In light of Registrant's arrangements with Schwab, Registrant may have an incentive to recommend that clients maintain their accounts with CS&Co. based on its interest in receiving Schwab's services that benefit its business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This presents a conflict of interest. When making such a recommendation, however, Registrant believes that its recommendation of Schwab as custodian and broker is in the best interests of its clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only Registrant.

The Registrant's Chief Compliance Officer, Roy E. Williams, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant receives an economic benefit from the *Custodians*. The Registrant, without cost (and/or at a discount), receives support services and/or products from the *Custodians*.

There is no corresponding commitment made by the Registrant to the *Custodians* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Roy E. Williams, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.

- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. In addition, the Registrant is deemed to have custody of client assets as per Rule 206(4)-2, and maintains custody in accordance with the Rule requirements. Client assets are maintained with qualified custodians. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute a *Sub-Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant

full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, in writing, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Virtual Portfolio clients are required to submit an Issuer Communication and Release Information Form, or similarly named form, to be certain that they receive proxies and corporate actions directly from the issuer of securities. The Registrant does not offer any consulting assistance regarding proxy issues to client.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

The Registrant's Chief Compliance Officer, Roy E. Williams, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.