



## Touchstone Advisory, LLC

### Firm Brochure – Form ADV Part 2A

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*This brochure provides information about the qualifications and business practices of Touchstone Advisory, LLC (TAL). If you have any questions about the contents of this brochure, please contact us at (646) 450-0947 or by email at: [info@touchstone-us.com](mailto:info@touchstone-us.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about TAL is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).  
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*Registration does not imply a certain level of skill or training.*

Version Date: 03/19/2020

## Item 2: Material Changes

TAL has the following material changes to report since the last update of this brochure, dated August 27<sup>th</sup>, 2019.

- Item 4 Section E (Assets Under Management) was updated as of December 31st, 2019.
- Item 8 Section C (Risks of Specific Securities Utilized) was updated to address the material risks involved with insurance policies and is relevant to all clients with accounts at RL360 and Utmost Worldwide.

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## Item 4: Advisory Business

### *A. Description of the Advisory Firm*

TAL is a Limited Liability Company organized in the State of Delaware. TAL provides comprehensive financial planning for global executives and expatriates living in the United States and Americans living abroad. The firm has been actively operational in the U.S. since October 2017, and the principal owners are Zachary Zanghi and Touchstone Advisory Ltd.

### *B. Types of Advisory Services*

#### *Portfolio Management Services*

TAL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. TAL creates a plan for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

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

TAL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the client agreement, which is given to each client.

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

#### *Pension Consulting Services*

TAL offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives

- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

TAL provides pension consulting services for United Kingdom (U.K) pensions. This service is segmented into two distinct product types:

#### *Self-Invested Personal Pension (SIPP)*

A Self-Invested Personal Pension (SIPP) is the name given to the type of UK government approved personal pension scheme, which allows individuals to make their own investment decisions from the full range of investments approved by HM Revenue and Customs (HMRC). TAL advises on SIPP transfers and provides ongoing portfolio management services for SIPP assets.

#### *Recognised Overseas Pension Scheme (ROPS)*

A ROPS (formally QROPS) is considered a recognised overseas pension if it satisfies certain HMRC requirements. The ROPS manager must have correctly notified HMRC that the ROPS is a recognised overseas pension and provided evidence to HMRC where required. TAL provides ongoing portfolio management services for ROPS assets. TAL does not advise on ROPS transfers. The custodians previously utilized for ROPS assets are RL 360 in the Isle of Man and Utmost Worldwide Limited in Guernsey. TAL's affiliate company, Touchstone Advisory Ltd., has terms of business with RL 360 and Utmost Worldwide Limited. This allows TAL to provide portfolio management services for ROPS assets. Clients are advised that Touchstone Advisory Ltd, TAL's affiliate, is listed as the advisor on ROPS assets.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

#### *Services Limited to Specific Types of Investments*

TAL generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non-U.S. securities.

For overseas accounts (ROPS & SIPP) and international clients, TAL generally limits investment advice to offshore mutual funds and exchange traded funds that are predominantly UCITS (Undertakings for Collective Investment in Transferrable Securities) compliant in Europe.

TAL may use other securities as well to help diversify a portfolio when applicable.

### *C. Client Tailored Services and Client Imposed Restrictions*

TAL will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by TAL on behalf of the client. TAL may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent TAL from properly servicing the client account, or if the restrictions would require TAL to deviate from its standard suite of services, TAL reserves the right to end the relationship.

TAL offers the Touchstone Model Portfolio Strategy ("MPS") for overseas SIPP and ROPS accounts. The Touchstone MPS is a model allocation strategy that balances active vs passive investment styles developed by Pacific Asset Management ("PAM") and used by TAL. The MPS strategies allocate 50% to a PAM fund which is managed by PAM and pays management fees to PAM. The remaining 50% of the MPS strategies are allocated to Index Funds or Exchange Traded Funds. TAL does not receive any additional compensation from any of the funds in the MPS strategies, including PAM funds.

### *D. Wrap Fee Programs*

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

### *E. Assets Under Management*

TAL has the following assets under management ("AUM"):

Discretionary AUM	Non-Discretionary AUM	Date Calculated
\$0	\$106,689,027	December, 2019

## **Item 5: Fees and Compensation**

### *A. Fee Schedule*

#### **Portfolio Management Fees**

Total Assets Under Management	Annual Fees
\$0 - \$2,500,000	1.00%
\$2,500,001 - \$5,000,000	0.80%
\$5,000,001 - And Up	0.60%

TAL charges Annual Fees on a flat basis. For example, a client with \$3,000,000 in Total Assets Under Management typically pays a flat 0.8% per year on the entire balance as opposed to 1% on the first \$2,500,000 and 0.8% on the next \$500,000.

The management fee calculation methodology and frequency and timing of management fee charges vary by custodian.

For client accounts carried by Charles Schwab ("Schwab"), Novia Global ("Novia"), and Interactive Brokers ("IB") management fees are calculated and charged monthly in arrears. Management fees charged to Schwab and Novia accounts are calculated by multiplying the prior month's ending portfolio value times the applicable fee rate pro-rated over 12 months. Management fees charged to IB accounts are calculated by IB by multiplying the prior month's average daily portfolio value times the applicable fee rate. All Schwab statements and calculations are reported in USD. IB and Novia statements and calculations are reported in base currency.

For client accounts carried by RL 360 and Utmost Worldwide ("Utmost"), management fees are calculated and charged quarterly in arrears. For accounts carried at RL 360, the quarterly billing cycle is based on the day the account was opened rather than on calendar quarters. For accounts carried at Utmost, the quarterly billing cycle is based on the month the account was opened rather than on calendar quarters. Management fees charged to these accounts are calculated by multiplying the prior billing quarter's ending portfolio value times the applicable fee rate. RL360 and Utmost statements and calculations are reported in base currency.

These fees are generally negotiable, and the final fee schedule is attached as Exhibit III of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of TAL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

#### *Pension Consulting Services Fees*

##### **Fixed Fees**

For UK SIPP Pension transfers, the SIPP Implementation Fee is either 2% or £15,000, whichever amount is lower. The SIPP Implementation Fee is deducted from the plan upon the transfer.

Clients may terminate the agreement without penalty, for full refund of TAL's fees, within five business days of signing the Investment Advisory Contract.

TAL may periodically create financial plans for clients, for which it will typically charge a fixed fee between \$500 and \$10,000. No such plans were created within the past year.

## ***B. Payment of Fees***

#### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly or quarterly basis depending on the custodian. The Investment Advisory Contract stipulates where the fee payment is monthly or quarterly for each client. Fees are paid in arrears.

#### *Payment of Pension Consulting Fees*



Pension Consulting Fees for SIPP transfers are withdrawn directly from the client's account with client's written authorization. Fixed Pension Consulting Fees are paid 100% in advance, but never more than six months in advance.

#### *Payment of Financial Planning Fees*

Financial planning fees are paid via check, cash and wire. Financial Planning Fees can also be withdrawn directly from the client's accounts with client's written authorization. Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

### ***C. Clients Responsibility for Third-Party Fees***

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

### ***D. Prepayment of Fees***

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

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### ***E. Outside Compensation for the Sale of Securities to Clients***

Zachary Zanghi is a registered Broker/Dealer Representative with Primary Capital, LLC (CRD #: 127921). From time to time, he will offer clients advice or products through Primary Capital, LLC. Zachary Zanghi is also an independent licensed insurance agent and, from time to time, will offer clients advice or products from those activities.

Clients should be aware that these brokerage and insurance services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. The Firm has adopted Written Policies and Procedures including a Code of Ethics to address the ethical conduct of employees, including sales persons. The Code of Ethics requires, among other things, that employees place the interests of the clients first. As fiduciaries, employees must avoid placing personal interests ahead of the interests of clients.

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

TAL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

TAL generally provides advisory services to Individuals & High-Net-Worth Individuals. There is no account minimum for any of TAL's services.

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

### *A. Methods of Analysis and Investment Strategies*

#### **Methods of Analysis**

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

#### **Investment Strategies**

TAL uses long term trading and options trading (including covered options, uncovered options, or spreading strategies). Investing in securities involves a risk of loss that a client should be prepared to bear.

### *B. Material Risks Involved*

#### **Methods of Analysis**

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

#### **Investment Strategies**

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

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

economic risk, market risk, and political/regulatory risk.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies.

### **Self Invested Personal Pension (“SIPP”) Accounts**

TAL assists U.S. resident clients who wish to transfer the balances in their U.K. based pension plans to Self Invested Personal Pension (“SIPP”) Accounts. Most U.K. defined benefit (final salary) pension plans promise pension payments for the life of the retiree, but the total income paid to the retiree from such a plan may be less than the total income that the retiree could earn in an actively managed SIPP account. TAL works with clients and prospective clients interested in SIPP transfers to evaluate and recommend transfers where it believes a transfer would be in the client’s best interests, and TAL manages client’s SIPP accounts on a non-discretionary basis.

**Self Invested Personal Pension (SIPP) transfers** present material risks such as:

- The loss of any guarantees and benefits that exist with the client’s current pension provider(s)
- The value of a SIPP and any returns will depend upon the performance of the underlying investments. The value of these investments can fall as well as rise, and the client may get back less than your original investment.
- Levels of taxation and tax relief are subject to change and may affect the client’s investment.
- Should a client decide to take pension benefits earlier than initially intended, they should be aware that their expected level of income may reduce.
- All fees associated with a SIPP may vary, and clients should be aware that any increase in charges would adversely impact the value of the investment.

Note that clients and prospective clients who are considering SIPP transfers may also consider transfers to a Recognised Overseas Pension Scheme (“ROPS”). TAL provides ongoing portfolio management services for existing ROPS assets; however, TAL does not recommend ROPS transfers.

### ***C. Risks of Specific Securities Utilized***

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

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

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

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

**Exchange Traded Funds (ETFs):** ETFs are investment funds traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss. Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by central banks, sovereign wealth, or others which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet retirement or other long-term goals. An annuity is not a life insurance policy.

Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks; just as mutual funds do.

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

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the

lesser degree of accurate public information available.

**Insurance policies:** Some of TAL's clients have assets in accounts with RL360 or Utmost Worldwide Limited ("Utmost") that they opened under the advice of a predecessor investment adviser before their accounts were transferred to TAL. RL360 and Utmost are insurance companies domiciled in the United Kingdom. These companies pool monies received from policyholders and invest them based on the investment selections of their policyholders. Changes in each policyholder account's value track changes in the values of the underlying investments selected by each policyholder. Policyholders' accounts are liabilities of these insurance companies and are subject to credit risk that is a function of the financial strength of the insurance companies. RL360 is regulated by the Isle of Man Financial Services Authority and in 2019 received a Financial Strength rating of B+ ("Very Strong") from AKG Financial Analytics Ltd. Utmost is licenced as an international insurer by the Guernsey Financial Services Commission and received an Insurer Financial Strength rating of A from Fitch and a credit rating of AA- ("very strong") from Standard & Poors.

Since its inception in 2017, TAL has not recommended new client investments into policies at RL360 or Utmost. For new client advisory accounts outside the U.S. (ROPS and SIPP's), TAL requires clients to utilize the services of the investment platform Novia Global Ltd., a Financial Institution located in the U.K.

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

## Item 9: Disciplinary Information

### *A. Criminal or Civil Actions*

There are no criminal or civil actions to report.

### *B. Administrative Proceedings*

TAL is not named in any regulatory proceedings; however, a TAL Investment Adviser Representative ("IAR") is the subject of a regulatory proceeding (Docket/Case #1:18-cv-04930) relating to his prior employment as an IAR with another investment adviser. Details are available at the following link:

<https://www.adviserinfo.sec.gov/Individual/6120011>

### *C. Self-regulatory Organization (SRO) Proceedings*

There are no Self-regulatory Organization (SRO) Proceedings to report.

## Item 10: Other Financial Industry Activities and Affiliations

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

Zachary Zanghi is a registered Broker/Dealer Representative with Primary Capital, LLC (CRD #: 127921). From time to time, he will offer clients advice or products through Primary Capital, LLC. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Touchstone Advisory, LLC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients.

Louis Almerini is registered as a Financial Operations Principal (CRD# 1605183) with multiple FINRA member broker-dealers, including Mediobanca Securities USA LLC; Deer Isle Capital, LLC; and NYPPEX, LLC. See related discussion of Louis Almerini's registration relationships in Item 10, Section C below.

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

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

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

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

Zachary Zanghi is a 1% Owner of Gameday Tailgate Experience, a Stadium Arena & Sports Venue company. Mr. Zanghi is a passive investor and does not spend any working time on this Outside Business Activity.

Benjamin Alderson is the director of Mr. Fitzpatrick's Ltd., a beverage company. Mr. Alderson is also the director of Marlcroft Holdings Ltd., a holding company for family property assets. Both entities are family-controlled companies and participation in these entities is not offered to clients.

Benjamin Alderson is the Founder and 100% Owner of Touchstone Advisory Ltd. Touchstone Advisory Ltd is an affiliate advisory firm based in Nassau, Bahamas and registered with the Securities Commission of the Bahamas under Regulatory Number SIAF164. Touchstone Advisory Ltd. is not registered in the United States and only provides advisory services to non-US persons and they do not have any crossover clients with TAL. Benjamin Alderson spends about half of his working time on this activity.

Adrian Flambard is the Chief Executive Officer (CEO) of Touchstone Advisory Ltd. Touchstone Advisory Ltd is an affiliate advisory firm based in Nassau, Bahamas and registered with the Securities Commission of the Bahamas under Regulatory Number SIAF164. Touchstone Advisory Ltd. is not registered in the United States and only provides advisory services to non-US persons and they do not have any crossover clients with Touchstone Advisory, LLC. Adrian Flambard spends about half of his working time on this activity.

Touchstone Advisory Ltd is the owner of Touchstone Investment Advisers Ltd in the United Kingdom. Touchstone Investment Advisers Ltd is an Appointed Representative of Blacktower Financial Management Ltd which is authorized and regulated by the Financial Conduct Authority. Touchstone Investment Advisers Ltd are entered on the Financial Conduct Authority register ([www.fca.org.uk/register](http://www.fca.org.uk/register)) under reference number 796109.

Louis Almerini is a Certified Public Accountant licensed in the State of New York. He is Managing Member and 100% owner of Louis Almerini CPA, LLC, which provides accounting, compliance, and related consulting services to clients directly or under contract with CFO Financial Partners LLC. Louis Almerini spends most of his working time on these activities, which includes his time serving as CCO of Touchstone Advisory, LLC. No accounting services are provided by Louis Almerini to either TAL or its clients.

TAL and its overseas affiliate Touchstone Advisory Ltd. share revenue between the firms as follows:

**Revenue directly received by TAL (ROPS / SIPP/ Advisory)**

<u>Non-US Based Advisor</u>	
Touchstone Advisory Ltd Share	\$0.70 *
TAL Share	\$0.30 *

<u>US Based Advisor</u>	
Touchstone Advisory Ltd Share	\$0.00 *
TAL Share	\$1.00 *

\*Per every \$1.00 of Revenue

**Revenue directly received by Touchstone Advisory Ltd (ROPS) for US resident clients only**

<u>Non-US Based Advisor</u>	
Touchstone Advisory Ltd Share	\$0.90 *
TAL Share	\$0.10 *

<u>US Based Advisor</u>	
Touchstone Advisory Ltd Share	\$0.10 *
TAL Share	\$0.90 *

\*Per every \$1.00 of Revenue

The SIPP implementation fee described in Item 5A is paid to TAL and TAL IAR's as compensation. A conflict of interest is deemed to arise under these circumstances because TAL IAR's are compensated for recommending a SIPP transfer. All SIPP recommendations are reviewed by a supervisor to address this conflict. In addition, a defined benefit transfer to a SIPP can only proceed if an FCA authorized adviser who is qualified to advise on pension transfers and opt outs recommends the transfer. A defined benefit transfer to a SIPP cannot proceed if the FCA authorized adviser recommends against the transfer.

***D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

For client advisory accounts in the U.S., TAL does not utilize nor select third party investment advisers. All assets are managed by TAL management.

For SIPP and ROPS accounts, TAL maintains an Approved Securities List. The list of investments is selected to provide a full range of index providers and third-party managers to choose from. The Approved Securities List is reviewed on a quarterly basis. TAL does not receive compensation from any third-party manager on the Approved Securities List.



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

### ***A. Code of Ethics***

TAL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. TAL's Code of Ethics is available free upon request to any client or prospective client.

### ***B. Recommendations Involving Material Financial Interests***

TAL does not recommend that clients buy or sell any security in which TAL or a related person has a material financial interest.

### ***C. Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of TAL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TAL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TAL will document any transactions that could be construed as conflicts of interest and will not engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of TAL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TAL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. The CCO will document any transactions that could be construed as conflicts of interest and TAL will always transact client business before its own when similar securities are being bought or sold.

## Item 12: Brokerage Practices

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

Custodians/broker-dealers will be recommended based on TAL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and TAL may also consider the market expertise and research access provided by the broker- dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in TAL's research efforts. TAL does not charge a premium or commission on transactions, beyond the actual cost imposed by the broker- dealer/custodian.

For client advisory accounts in the U.S., TAL will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc. and Interactive Brokers LLC.

For client advisory accounts outside the U.S. (ROPS and SIPP's), TAL will require clients to utilize the services of the investment platform Novia Global Ltd., a Financial Institution located in the U.K., or with RL 360 or Utmost if the clients have preexisting relationships with them.

#### **1. Research and Other Soft-Dollar Benefits**

While TAL has no formal soft dollars program in which soft dollars are used to pay for third party services, TAL may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). TAL may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and TAL does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. TAL benefits by not having to produce or pay for the research, products or services, and TAL will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that TAL's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### **2. Brokerage for Client Referrals**

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

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

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

### ***B. Aggregating (Block) Trading for Multiple Client Accounts***

TAL does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Reviews of Accounts**

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

TAL's Investment Adviser Representatives have overall responsibility for the accounts they manage and monitor them on an ongoing basis. Accounts may be reviewed against a benchmark or against other accounts in the same strategy. Reviews are conducted to monitor portfolio performance and ensure that each portfolio conforms to guidelines established by TAL and each client. In addition, the Chief Compliance Officer reviews guidelines and conducts a formal review of guidelines on an annual basis.

Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee. Financial plans are subject to review by the Chief Compliance Officer on a periodic basis.

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

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

With respect to financial plans, TAL's services will generally conclude upon delivery of the financial plan.

### ***C. Content and Frequency of Regular Reports Provided to Clients***

Each client of TAL's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Each financial planning client will receive the financial plan upon completion.

## Item 14: Client Referrals and Other Compensation

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

TAL does not receive any cash compensation, directly or indirectly from any third party for advice rendered to TAL's clients.

With respect to Schwab, TAL receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For TAL client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to TAL other products and services that benefit TAL but may not benefit its clients' accounts. These benefits may include national, regional or TAL specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of TAL by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist TAL in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of TAL's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of TAL's accounts. Schwab Advisor Services also makes available to TAL other services intended to help TAL manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to TAL by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to TAL. TAL is independently owned and operated and not affiliated with Schwab.

TAL's approved securities list includes funds managed by Pacific Asset Management, a U.K. investment manager. Pacific Asset Management makes available to TAL research that benefits

TAL; TAL generally shares this research with clients.

TAL is independently owned and operated and not affiliated with Pacific Asset Management.

TAL does not receive economic benefits from any other custodian utilized besides Schwab.

### ***B. Compensation to Non –Advisory Personnel for Client Referrals***

TAL does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, TAL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients do not receive billing invoices for advisory fees. All advisory fees are listed on account statements.

## **Item 16: Investment Discretion**

TAL does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

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

## **Item 18: Financial Information**

### ***A. Balance Sheet***

Tal does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to include a balance sheet with this brochure

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

Neither TAL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### ***C. Bankruptcy Petitions in Previous Ten Years***

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