



PETTINGA

FINANCIAL ADVISORS

Firm Brochure

May 1, 2020

This Firm Brochure provides information about the qualifications and business practices of Pettinga Financial Advisors, LLC ("Pettinga," "we" or the "Firm"). If you have any questions about the contents of this Form ADV 2A brochure ("Firm Brochure"), please contact our Chief Compliance Officer, Tonya F. Borders, at 812.436.4000. The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Pettinga is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Pettinga is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by firm name or by a unique identifying number, known as a CRD number. The CRD number for Pettinga is 156369.

Item 2 – Material Changes

SEC-registered investment advisers are required, within 120 days of the close of the advisor's fiscal year end, to provide their clients with a summary of any material changes to their Firm Brochure since the most recent prior annual updating amendment and offer to provide the entire Firm Brochure free of charge.

Since our last annual updating amendment, dated March 20, 2019, we have made some stylistic changes to the Firm Brochure, but have no material changes to report.

Clients are encouraged to review this Firm Brochure in its entirety. A free copy of Pettinga's Firm Brochure may be requested at any time by contacting our Chief Compliance Officer, Tonya F. Borders, at 812.436.4000. Additional information about Pettinga is available via the SEC's website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Pettinga is an investment advisor registered with the SEC and is a successor to Pettinga Financial Advisors, Inc., which was first registered with the SEC in 1994. Pettinga succeeded to the business of Pettinga Financial Advisors, Inc. on December 31, 2010.

Assets Under Management

As of December 31, 2019, Pettinga managed \$825,665,649 of client assets on a discretionary basis and \$60,661,605 on a non-discretionary basis.

Focus Operating, LLC, Focus Financial Partners, LLC and Focus Financial Partners, Inc.

Pettinga is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Pettinga is a wholly owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital, LLC ("Stone Point") had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Investment Management Services

Pettinga provides comprehensive investment management services to clients who are primarily high net worth individuals and other individuals, as well as trusts, estates, pension and profit-sharing plans, charitable organizations and foundations, and businesses. Each Pettinga client works with a specific financial advisor who tailors their investment management services to the needs of their clients. They seek to understand each individual client's goals, objectives, time horizon, risk tolerance and tax position then allocate the client's investment portfolio among various asset classes based on their understanding of these factors.

Pettinga's financial advisors typically invest client accounts in mutual funds and exchange traded funds. Other investment types, such as (but not limited to) investment grade fixed income securities, limited partnerships or other alternative investments, covered calls and third-party separate account managers, are used if the financial advisor and client agree that the asset or investment is appropriate for the client. Also, Pettinga's financial advisors manage client assets

in accordance with model portfolios if the relevant advisor deems it appropriate for the client. Pettinga's financial advisors do not regularly recommend individual stocks but may give opinions and execute transactions for clients on certain individual stocks the client desires.

Pettinga's services are typically provided on a discretionary basis; however, Pettinga's financial advisors work with clients on a non-discretionary basis if requested.

Financial Planning

The Firm also offers financial planning services to clients. Basic financial planning services are included in the investment management services we offer to clients, for clients who are interested in the service. We offer more intensive or complex financial planning services for a separate fee. The objective of our financial planning is to review and analyze a client's personal financial situation, prepare a comprehensive financial planning report, and make recommendations for implementing the financial plan. Our analysis and recommendations are based on information provided by the client.

The initial phase of our financial planning process involves accumulating and organizing facts about a client's financial status, identifying specific goals and objectives, and agreeing upon planning assumptions. The typical areas of discussion include (but are not limited to) retirement planning, estate planning, life insurance planning, college funding, and investment allocation analysis. After information is received, the data is analyzed and projections are made. We then meet with the client to review their comprehensive financial planning report which contains recommendations in all relevant areas of their financial situation. If necessary, the report is amended to reflect changes or alternative courses of action.

Clients are responsible for all decisions regarding implementation of the recommendations. The methods clients choose for implementing their financial planning recommendations are at their discretion. Pettinga is available to assist clients with implementation of their chosen strategies or to coordinate implementation with other financial professionals of the client's choosing.

ERISA-related Services

Pettinga is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Pettinga is also a fiduciary under the Internal Revenue Code ("IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners. As such, Pettinga is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption.

Our services vary by client and include either discretionary investment management of plan assets or the recommendation of plan investment alternatives. When agreed upon with our ERISA plan clients, we also provide investment education for participants as a non-fiduciary service.

Client Obligations

Each client retains the responsibility to promptly notify Pettinga if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, and/or revising the Firm's previous recommendations or services.

When performing requested services, Pettinga will not be required to verify any information received from the client or from the client's other professionals. The Firm is expressly authorized to rely on such information.

No Legal or Accounting Advice

While employees of Pettinga may be licensed attorneys or accountants, The Firm does not provide any legal or accounting advice. Clients should seek the counsel of a qualified attorney and/or accountant when necessary.

Item 5 – Fees and Compensation

Investment Management Fees

Investment management fees are typically in the form of a percentage of assets for which Pettinga has responsibility. Currently, fees are charged according to the following schedule:

First	\$1,000,000.....	1.00%
Next	\$2,000,000.....	0.80%
Next	\$2,000,000.....	0.60%
Over	\$5,000,000.....	0.40%

In certain circumstances, the Firm will elect to charge a flat fee. Each client's specific fee schedule is identified in the written agreement between Pettinga and the client.

Although Pettinga has established the aforementioned fee schedule, we retain discretion to negotiate an alternative fee schedule on a client-by-client basis. Specific facts and circumstances such as the complexity of assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition, among other factors are considered. Also, investment management fees are waived for Pettinga employees and are often waived or discounted for certain family members or friends of employees.

Clients are billed in arrears each calendar quarter based on the account value as of the last day of the quarter as determined by third-party sources. Cash and cash equivalents are included in the account value for billing purposes, unless we determine otherwise, in our sole discretion. Clients may elect to be invoiced or may authorize the Firm to directly debit fees from their accounts. Regardless, we strongly recommend that all clients verify the accuracy of their fee calculation by reviewing their custodian statement(s). At times, related client accounts may be grouped together for purposes of calculating the fee. Client relationships initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of a client relationship, all earned but unpaid fees will be due and payable.

In addition to Pettinga's fees, clients are responsible for fees and expenses associated with the investment of their assets, such as brokerage commissions, transaction fees, and other expenses and charges imposed by custodians and broker-dealers who service client accounts. Clients are additionally responsible for the fees and expenses of mutual funds and exchange traded funds, as well as third-party separate account managers. Such fees, expenses, commissions and charges are exclusive of and in addition to Pettinga's fee. Item 12 of this Firm Brochure contains additional information regarding brokerage practices.

Financial Planning Fees

As discussed above, we offer basic financial planning services at no additional charge to our investment management clients. More complex or intensive financial planning services are offered for a separate fee. For those clients who are charged a separate financial planning fee, the fee is fully disclosed in the client's financial planning agreement and the client is invoiced as agreed upon.

Additional fees may be incurred if Pettinga is engaged by the client to assist with implementation of the financial planning recommendations. These additional fees will be agreed upon by Pettinga and the client, and they will be based upon the scope of the project.

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

Pettinga does not charge or accept any performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

Pettinga provides services to individuals, trusts, estates, pension and profit-sharing plans, charitable organizations and foundations, and businesses. The Firm does not have a formal account minimum but retains discretion to decline to engage any client whose portfolio or goals are not a fit for the Firm.

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

Methods of Analysis and Investment Strategies

Pettinga's financial advisors tailor their investment management services to the needs of their clients. They seek to understand each individual client's goals, objectives, time horizon, risk tolerance and tax position then allocate the client's investment portfolio among various asset classes based on their understanding of these factors.

Due to the individualized nature of each client relationship, client portfolios may or may not hold the same securities. Purchases and sales of securities are based on a variety of factors including (but not limited to) client cash needs, tax implications, client preference, other holdings, and market fluctuation. Moreover, the individualized nature of our advice to clients could result in inconsistent recommendations to our clients. For example, we could purchase a security on behalf of some clients while selling the same security on behalf of other clients.

Pettinga's financial advisors typically invest client accounts in mutual funds and exchange traded funds. They review the experience and track record of the manager of the mutual fund or exchange traded fund in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. They also review the underlying assets in a mutual fund or exchange traded fund in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. They monitor the mutual funds and exchange traded funds being used in client accounts in an attempt to confirm the continuing appropriateness of the investments. At the same time, Pettinga's financial advisors monitor prospective investments for possible addition to client accounts. They utilize various products to aid in this analysis, which is done both independently and in groups.

Other investment types, such as (but not limited to) investment grade fixed income securities, limited partnerships or other alternative investments, covered calls, and third-party separate account managers, are used if the financial advisor and client agree that the asset or investment is appropriate for the client. Also, Pettinga's financial advisors manage client assets in accordance with model portfolios if the relevant advisor deems it appropriate for the client. These model portfolios utilize mutual funds and exchange traded funds. They span a spectrum of potential investment returns and risks from relatively conservative to relatively aggressive. The model portfolios developed by each of Pettinga's financial advisors may differ and, thus, may generate different returns.

Pettinga's financial advisors do not regularly recommend individual stocks but may give opinions and execute transactions for clients on certain individual stocks the client desires. They may also work with clients to diversify out of concentrated positions of an individual stock.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Different investments involve varying types and varying degrees of risk.

All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Even if the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and exchange traded funds utilized by Pettinga may include underlying investments in domestic and international equities, real estate investment trusts, corporate and government fixed income securities and commodities, among other security types. Each of these security types presents various risks, including (but not limited to) the following:

- Equity securities may decline in value if the issuer's financial condition declines or in response to overall market and economic conditions.
- Equity investments in a concentrated market segment, such as large cap, mid cap or small cap, or an investment's tilt towards growth or value, may underperform other market segments or the equity markets as a whole.

- Equity investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.
- Investing outside the United States involves risks such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.
- Fixed income securities are subject to interest rate risk and credit quality risk. Inflation is also a concern, as the market value of fixed income securities generally declines when interest rates rise.
- An issuer of fixed income securities could default on its payment obligations thereby diminishing the value of the investment.
- Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.
- A mutual fund's or exchange traded fund's selection and weighting of asset classes and/or underlying funds may cause it to underperform other funds with a similar investment objective.

Investing in alternative investments is speculative, not suitable for all clients, and generally intended for experienced and sophisticated investors who are willing and able to bear the high economic risks of the investment. Investors should carefully read the related prospectus or offering memorandum, which will contain the information needed to help evaluate the potential investment and provide important disclosures regarding risks, fees and expenses.

Alternative investments, including hedge funds and funds that invest in alternative investments, often employ leverage and other speculative practices that increase an investor's risk of loss to include complete loss of investment, often charge high fees, and can be highly illiquid and volatile. Alternative investments may lack diversification, involve complex tax structures, and delay in reporting important tax information may occur. Registered and unregistered alternative investments are not subject to the same regulatory requirements as mutual funds.

Clients should not assume that future performance of any specific investment, including those recommended or undertaken by Pettinga, will be profitable or equal specific performance levels.

Cybersecurity and Business Continuity Risks

The computer systems, networks and devices used by Pettinga and service providers to the Firm and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, and security breaches. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality.

Pettinga could experience other interruptions to the continuity of our business operations. The Firm has procedures in place designed to facilitate continued functioning of our business under

adverse circumstances. However, disruption to our normal business operations could be caused by adverse weather events, pandemics, "acts of God," threats to our physical security or other unanticipated events.

Clients could be negatively impacted as a result of a cybersecurity breach or disruption to business continuity.

Cybersecurity breaches or other disruptions to business continuity may negatively impact business operations. These disruptions, some of which could potentially result in financial losses to a client, may include impediments to communication, trading or access to other systems; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches or other disruptions to business continuity affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches or other disruptions to business continuity in the future.

Item 9 – Disciplinary Information

As a registered investment advisor, Pettinga is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of our business or the integrity of our management personnel. Both Pettinga and its management personnel have no reportable legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because Pettinga is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of Pettinga. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business.

Pettinga does not believe that the Focus LLC Partnership presents a conflict of interest with our clients. In addition, Pettinga has no business relationship with other Focus Partners that is material to its advisory business or its clients.

Item 11 – Code of Ethics

Pettinga has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Pettinga's Code of Ethics describes the Firm's fiduciary duties and responsibilities to clients and sets forth Pettinga's practice of supervising the personal securities transactions of employees with access to client information. Firm employees may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the expressed policy of Pettinga that no person employed by the Firm shall prefer his or her own interest to that of a client or make personal investment decisions based on investment decisions of clients.

When a Pettinga employee buys or sells securities that the firm recommends to clients, a potential conflict of interest exists. Pettinga's Code of Ethics is designed to address these potential conflicts, among other things, by requiring the Firm's personnel to report their personal securities holdings and transactions to the Firm for compliance review.

Pettinga's Code of Ethics additionally prohibits the misuse of material non-public information and requires protecting the confidentiality of client information. Pettinga requires that all employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any employee not in observance of the above may be subject to discipline or termination.

Pettinga is happy to provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Item 12 – Brokerage Practices

Custodians and Broker-Dealers

Pettinga routinely recommends that clients custody their assets with Charles Schwab & Co ("Schwab") or Fidelity Investments ("Fidelity") (collectively, the "Custodian/BDs").

These Custodian/BDs provide custody of securities, trade execution, and clearance and settlement of transactions placed by Pettinga. They hold clients' assets in a brokerage account and buy and sell securities when they are instructed to. In deciding to recommend specific Custodian/BDs, factors that Pettinga considers include but are not limited to:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Access to trading desks;
- A dedicated service or back office team and its ability to process requests on behalf of its clients;
- Ability to provide Pettinga with access to client account information through an institutional website; and
- Ability to provide clients with electronic access to account information and investment research tools.

The Custodian/BDs make available to Pettinga, without cost, products and services, some of which assist Pettinga in managing and administering clients' accounts. This includes access to research, mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. It also includes software and other technology that provides access to client account data (such as trade confirmations and account statements), pricing information and other market data, facilitates trade execution and payment of Pettinga's fee from its clients' accounts, and assists with back-office support, recordkeeping and client reporting.

The Custodian/BDs also provide Pettinga with other services intended to help Pettinga manage and further develop its business enterprise. These services include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing.

The foregoing products and services provided by the Custodian/BDs are a benefit to Pettinga, because Pettinga does not have to pay for them. The products and services are not earned through the execution of client securities transactions (e.g., they are not "soft dollars"). As part of its fiduciary duty to clients, Pettinga strives at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Pettinga in and of itself creates a potential conflict of interest and may indirectly influence Pettinga's recommendation and use of specific custodians and broker-dealers.

Additional information regarding benefits provided by the Custodian/BDs is provided in response to Item 14.

Custody and Brokerage Costs

If a client selects one of the Custodian/BDs recommended and used by Pettinga, the Firm has a duty of best execution which includes a duty to seek favorable commission rates and the best overall value for the client when placing trades and must consider cost, quality, timeliness, etc. However, if a client does not select one of the Custodian/BDs recommended and used by Pettinga, it should be understood that the Firm will not have authority to negotiate commissions among various custodians and broker-dealers or obtain volume discounts, and best execution may not be achieved. In addition, differences in commission charges may exist between clients.

Clients of Pettinga who choose Schwab or Fidelity as their Custodian/BD:

- pay commissions and/or transaction fees, as is customary, when stocks, bonds, mutual funds, exchange traded funds, etc. are bought or sold through Schwab or Fidelity;
- do not "pay up" for these services, as Pettinga does not accept soft dollar payments; and
- are not charged separately for custody services.

Trade Aggregation

Under most circumstances, Pettinga does not aggregate client trades with those of another client due to the individual nature of Pettinga's advice and client account management. In addition, it is the Firm's policy to not aggregate transactions for a proprietary or employee account with client transactions. Aggregating trades can be attractive, as it can lead to more favorable transaction prices and/or commission rates. Thus, it is important to note that not participating in aggregation

may lead to varied transaction prices (e.g. two clients purchasing the same security on the same day may pay a different price per share as the trades may be placed at different times) and/or higher execution charges.

Trade Errors

If a trade is submitted erroneously at Schwab or Fidelity, a correcting trade is placed on behalf of the client. Clients are not responsible for any losses relating to a trade error. If an investment gain results from the correcting trade, the gain will be treated in accordance with the policies of the account custodian and/or broker-dealer.

Trade errors for accounts in custody at Schwab are processed individually. Gains of \$100 or more are donated to a charity selected by Schwab. De minimis gains under \$100 are kept by Schwab to minimize and offset its own administrative time and expense to process trade errors. If a loss of \$100 or greater occurs, Schwab will notify Pettinga and send an invoice for payment. For de minimis losses of less than \$100, Schwab will bear the loss to avoid its own additional expense and burden of processing small errors. Trade errors for accounts in custody at Fidelity are aggregated in Pettinga's Fidelity Trade Error Account. At the end of each quarter, gains and losses are netted against each other. If the result is a net gain, the amount is donated to a charity selected by Fidelity. If the amount is a net loss, the Firm is responsible for covering the debit.

Item 13 – Review of Accounts

Data Reconciliation

Each morning, a contracted third-party downloads data points directly from each Custodian/BD into Pettinga's portfolio accounting system. The data points downloaded include account details, holdings, prices and transactions. Various reviews are performed, some by the third-party and others by Pettinga personnel, with the goal of reconciling each account each day but no less than each month-end.

Account Review

The Firm's review process includes assessing client goals and objectives, evaluating the employed strategy, monitoring the portfolio, and addressing the need to rebalance. Client accounts are reviewed at least annually. Additional account reviews may be triggered by a variety of events, including but not limited to specific client requests, changes in client goals and objectives, imbalances in portfolio asset allocation, market/economic conditions, and tax loss harvesting.

Review of Underlying Securities

Underlying securities within Pettinga's discretionary client accounts are regularly monitored by the client's financial advisor who is responsible for the day-to-day management of the portfolio. It is the financial advisor who ultimately determines the types and particular securities to buy, sell or hold on behalf of each client account. In addition to performing his or her own research and analysis, the firm's financial advisors look to Pettinga's Investment Committee ("IC") for input. The IC is led by the Chief Investment Officer and all other financial advisors are members. The IC may invite contributions from other employees of the firm and/or enlist the services of the Chief Compliance Officer. The IC meets at least quarterly, or more frequently as necessary,

to conduct and review fundamental analysis on both securities currently being used in client accounts and securities being considered for use. The analysis and methodology of review varies depending on the security under review.

Client Reports

Pettinga clients receive confirmations of transactions and no less than quarterly statements directly from their account's custodian. In addition, the Firm provides asset allocation and holdings reports at least annually; these reports may also include performance data. For purposes of report preparation, a client's accounts may be grouped into households. A household may include only one account, or it may include multiple accounts. Standard client reports are produced from the portfolio accounting system on a monthly basis; other reports are produced ad-hoc and may be manually prepared or system generated.

Client Meetings

Clients are urged to schedule and attend meetings with their financial advisor. Pettinga understands that some clients prefer to meet more often, and others prefer to meet less often. In addition, the Firm understands that some clients prefer face-to-face meetings while others prefer conference calls. Regardless, Pettinga's financial advisors consider these meetings to be an integral part of the relationship as they are an opportunity to review details, discuss progress in achieving goals, and determine if goals or plans should be adjusted.

Item 14 – Client Referrals and Other Compensation

Client Referrals

Pettinga does not have any referral compensation arrangements.

Other Compensation

As noted in Item 12 of this Firm Brochure, Pettinga currently participates in the advisor platforms offered by both Schwab and Fidelity. As such, both Schwab and Fidelity provide Pettinga with access to its institutional trading and operations services, which are typically not available to retail investors. These services are generally available to independent investment advisors at no charge to them so long as a minimum dollar amount of client assets is maintained with the custodian. Pettinga maintains sufficient assets at both Schwab and Fidelity so that any fee those firms might assess an independent investment advisor for use of their services is waived, which is an economic benefit to Pettinga.

As noted in Item 4 of this Firm Brochure, Pettinga's parent company is Focus Financial Partners LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Pettinga, other Focus Partners and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus Partners, including Pettinga. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus Partners, including Pettinga. Although the participation of Focus Partners personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities

conducted, and the access granted, at such meetings and conference could cause Pettinga to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Pettinga. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement. The following entities have provided conference sponsorship in the last year:

Charles Schwab & Co., Inc.
eMoney Advisors, LLC
Investnet Financial Technologies, Inc.
Fidelity Brokerage Services LLC
Fidelity Institutional Asset Management LLC
Orion Advisor Services, LLC

Item 15 – Custody

Pettinga has legal custody over client accounts in several respects: when clients authorize the Firm to debit fees from their accounts, when Firm personnel serve as trustee over client accounts, when the Firm has password access to certain client accounts, and due to standing letters of authorization (“SLOAs”) permitting the Firm to direct transfers to third-parties. We are required by the custody rule to obtain a surprise examination for some instances where we have legal custody, while in other circumstances (such as fee debit) a surprise examination is not required or (with regard to SLOAs) we rely on SEC no-action relief from the surprise examination requirement.

All client funds and securities are required to be held with an independent, qualified custodian. Clients receive at least quarterly statements from the custodian that holds and maintains their investment assets. We urge our clients to carefully compare official custodial records to the reports provided by Pettinga. Pettinga’s reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients are urged to contact Pettinga’s Chief Compliance Officer, Tonya F. Borders, at 812.436.4000 to discuss any discrepancies noted.

Item 16 – Investment Discretion

Pettinga’s investment management services are primarily provided on a discretionary basis. In these cases, clients have granted Pettinga the authority to place trades (i.e. determine the securities and amount of the securities to be bought or sold in a client’s account) without obtaining client consent prior to the transaction through a limited power of attorney in their client agreement with us.

Item 17 – Voting Client Securities

Pettinga’s policy is to not vote proxies for clients. Thus, clients will receive applicable proxies directly from the issuer of securities held in their investment portfolios.

Item 18 – Financial Information

As a registered investment advisor, Pettinga is required to provide certain financial information or disclosures about the Firm's financial condition. Pettinga has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.