

# **PlanPilot, LLC**

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This brochure provides information about the qualifications and business practices of PlanPilot, LLC ("PlanPilot"). If you have any questions about the contents of this brochure, please contact Mark Olsen at 312.973.4913 or [mark.olsen@planpilot.com](mailto:mark.olsen@planpilot.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 PlanPilot, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for PlanPilot, LLC. You may search for information by using the firm's CRD number. The CRD number for PlanPilot, LLC is 160319.

Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information you use to determine whether to hire or retain an advisor.

## **Item 2. Material Changes**

Since the last annual amendment to this brochure was filed in February, 2020, no material changes have occurred to the information provided in this brochure.

In the future, this section will discuss only the specific material changes that have occurred since the last annual update to the brochure and will, as a reference, include the date of the last annual update of this brochure.

If you would like to receive additional copies of our brochure, please contact us by telephone at (312) 973-4911 or by e-mail at [info@planpilot.com](mailto:info@planpilot.com).

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## **Item 4. Advisory Services**

PlanPilot, LLC (“PlanPilot”) specializes in providing plan administration consulting and investment consulting to plan sponsors. Mark Olsen is the controlling owner and Managing Member of PlanPilot.

At PlanPilot we believe it is each consultant’s responsibility to understand all aspects of your plan, from both an investment and administrative perspective. Therefore, we offer services to retirement plan sponsors and institutional investors that include:

- Plan design and administration consulting
- Investment manager evaluation and selection
- Ongoing investment performance and plan monitoring

PlanPilot will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under Employee Retirement Income Security Act of 1974 (“ERISA”) Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to our agreement and any compensation or fees received in connection with our agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

### **Plan Design and Administration Consulting**

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since PlanPilot is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in our agreement for services.

PlanPilot provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

**Plan Design** – Every client situation is unique. We work with your retirement plan Committee to identify concerns, and your retirement plan objectives. We help you assess and evaluate potential issues such as low employee participation rates, contribution limitations for high-income staff, employee turnover rates, or any other issues your retirement plan Committee may face as it strives to provide a program that benefits all participants. We may recommend a variety of solutions to consider, along with the financial implications of each, so your Committee can make informed decisions. Solid plan design sets the groundwork for sound fiduciary governance.

**Fiduciary Governance** – PlanPilot is committed to providing training and support for plan sponsors and their retirement plan Committees, giving them the structure and established procedures to more effectively administer their retirement plan. This training is customized to each client situation, and may include:

- The Employee Retirement Income Security Act (ERISA) legislation and how it relates to retirement plan oversight
- Fiduciary fundamentals
- A review of fiduciary committee processes and procedures
- A review of existing documents – resolutions, charters, vendor service agreements and the investment policy statement
- Strategies for managing fiduciary liability
- Examples of ERISA litigation and case studies

With the necessary fiduciary knowledge in hand, a benchmarking assessment then enables your Committee to make adjustments as necessary, assuring optimal results for your retirement program.

**Benchmarking** – PlanPilot can help your Committee understand what they are currently getting, relative to what may be offered by other service providers in the constantly changing marketplace. We compile current data from our proprietary service provider database, and combine it with responses to custom questionnaires. The resulting benchmarking study enables you to understand if your retirement plan fees and services are competitive relative to the marketplace. If they are not, we will act on your behalf with your recordkeeping provider to resolve any discrepancies. If it is determined that another service provider may provide better value to your organization, we will leverage our knowledge base and proprietary processes and procedures during a request for proposal process.

**Request for Proposal (“RFP”) Process** – We start by working with you to clearly define your plan objectives, specific program requirements, key project dates. We then create a comprehensive RFP document, customized to meet your specific needs and requirements. We distribute your unique RFP to prospective providers. The RFP is augmented by the data within our service provider database, to give you a full understanding of the capabilities for the recordkeeping providers in the search. Finally, we present your Committee with a thorough report, comparing vendor services, qualifications, fee structures, negotiate fees and services on

your behalf, working with your legal counsel, if necessary, to ensure that the provider contract fairly represents the interests of your organization. Once you begin working with a given vendor, our plan oversight services can assure you get the most from that relationship.

**Strategic Plan Oversight** – PlanPilot will provide strategic oversight for your retirement plan – both from an administrative and participant perspective. We help you analyze and benchmark employee participation, contribution levels, and asset allocation. A thorough understanding of participant behavior is essential to more effective education and communication efforts.

**Education & Communication** – Employees look to their employers to provide programs that help them achieve their retirement goals. PlanPilot can provide you with education and communication strategies to help assure you provide plan participants with the tools and information they need.

Once your comprehensive retirement plan is in place, PlanPilot investment consulting services can help assure you are offering participants an optimal investment array.

### **Investment Manager Evaluation and Selection**

We are passionately committed to independence and objectivity in our investment consulting services. Our process is linked to the integrity of our advice and guidance.

PlanPilot acknowledges that in performing fiduciary, Investment Management Evaluation and Selection services listed below and in the following Ongoing Investment Performance and Monitoring section that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of ERISA. Accordingly, we have developed an evaluation and review process that supports the level of diligence sought by ERISA. PlanPilot will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which PlanPilot is considered a fiduciary under ERISA. However, PlanPilot (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of the Client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of the Client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of the Client’s retirement plan or the interpretation of the Client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA. We consider many factors when analyzing investment managers and evaluating investment performance. Key components of our analytical process are:

- **Evaluating Performance Objectives and Benchmarks.** We select investment benchmarks to match plan performance objectives. Performance objectives and benchmarks are re-evaluated frequently to ensure continued applicability.
- **Searching and Comparing Managers With a Complete and Appropriate Universe.** Investment managers are selected from, and compared with, a complete universe of

public and private investment organizations. Statistical and fundamental analysis is conducted to identify the most appropriate peer groups for the plan's investment managers.

- **Capital Markets Overview.** Capital markets and investment sectors are analyzed to assess how macro-economic, financial and business factors have affected investment performance.
- **Evaluating the Process.** Each investment manager's process, including modeling, security selection filters, valuation methodology and investment strategies are analyzed in detail.
- **Quantifying Performance.** Risk-return history is quantified and recent strong or weak performances are studied to determine reliability. The best measures of risk and return are identified.
- **Analyzing the Relationship of Risk and Return.** The investment managers' performance is analyzed to determine whether the risk incurred is appropriate for prospective returns and plan objectives.
- **Evaluating Portfolio Profiles.** We analyze portfolio profiles to assess prospects for future performance. Large sector bets, unusual investments and risky asset classes are evaluated. Style and asset allocation changes are analyzed to identify the prospects for emerging positive or negative performance patterns.
- **Reviewing Fund Operations.** We evaluate the quality and stability of investment managers' operations, broker relationships, communications and reporting.
- **Evaluating Investment Managers.** Each investment manager's process, experience and capabilities are evaluated using a combination of interviews and written communication.

The exact suite of services provided to a client will be listed and detailed in our agreement for services.

### **Ongoing Investment Performance and Plan Monitoring**

We apply many of the same components when monitoring plan performance that we do when evaluating investment managers (discussed above).

To help your retirement plan meet its objectives, PlanPilot conducts ongoing analyses of your plan investments and retirement plan fees. Your investment policy statement serves as the basis for the ongoing investment monitoring process.

On a quarterly basis, or more frequently if required, PlanPilot meets with your investment planning Committee. We review the current economic environment and its effects on investment performance. We review individual investment options to monitor compliance with investment policy statement criteria, and to gauge acceptable returns relative to market benchmarks. If an investment manager is underperforming, or achieving results that fail investment policy statement criteria, we provide the due diligence necessary to your Committee, and facilitate a conversation on recommended next steps – to continue to monitor the fund or remove it from the plan.

In addition, we provide ongoing plan fee reporting and analysis within our performance evaluation process, to help fulfill your fiduciary needs.

In the event an investment manager needs to be replaced, PlanPilot will lead your manager search, identifying alternative managers for your Committee to consider that can better fit your retirement plan requirements.

Additionally, some clients can retain PlanPilot for the following services.

- **Non-Discretionary Investment Advice.** PlanPilot will provide you with general or specific, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- **Investment Selection Services.** PlanPilot will provide you with specific recommendations of investment options consistent with ERISA section 404(c). The exact suite of services provided to a client will be listed and detailed in our agreement for services.

### **Fiduciary Management 3(38) Services**

PlanPilot is also available to provide clients with the following Fiduciary Retirement Plan Management Services. The following are provided only when agreed upon with the client and set in our agreement for services. If you elect to utilize any of PlanPilot's Fiduciary Management Services, then PlanPilot will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and PlanPilot hereby acknowledges that it is a 3(38) fiduciary with respect to its Fiduciary Management Services.

- **Discretionary Management Services.** PlanPilot will provide the Plan with continuous and ongoing supervision over the designated retirement plan assets. PlanPilot will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion



without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to broker/dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

- **Discretionary Investment Selection Services.** PlanPilot will monitor the investment options of the Plan and add or remove investment options for the Plan. PlanPilot will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.

### **Assets Under Advisement as Pension Consultant**

As of December 31, 2020, PlanPilot provides advice to approximately \$7,886,046,852 of retirement plan assets. These are client assets for which we only provide consulting services to our clients and do not manage their assets. We have \$1,083,095,419 of assets under management as reported at Item 5.F. of Form ADV Part 1 as on file with the SEC.

### **OCIO Search Service**

Our Outsourced Chief Investment Officer (“OCIO”) provider search process is designed to fully evaluate the current state of an institution’s endowment/foundation’s goals and needs, services and fees, as well as educate our clients on market trends. PlanPilot will provide leadership throughout the search process to ensure committee members are well versed in critical elements and have the information they need in a clear and concise format to make an informed decision. These comprehensive services are usually provided on a project basis, but more limited on-going strategic oversight service of the OCIO provider and marketplace trends is also available.

### **Phase I – Planning**

The initial planning phase involves information gathering and review. This step is crucial in gaining a full understanding of the institution’s goals and identifying any pain points and areas of focus.

The information gathering process involves gathering the following:

- Governance structure
- Spending objectives and needs
- Existing Investment Policy Statement
- Existing asset allocation and investments
- Risk tolerances
- Current provider services
- Current fees
- Present custodian

The review focuses on the following:

- Address the state of the OCIO market
- Identify program goals and objectives
- Suggest potential OCIO providers
- Discuss varying fee approaches
- Determine critical milestones

### **Phase II – Request for Proposal Development**

PlanPilot will craft the Request for Proposal (“RFP”) and incorporate demographic information, historical cash flow, program design elements, and other data that will provide detailed insight into the program. In the body of the RFP, questions that are specific to an institution’s needs will be developed as these responses are critical to effective decision-making.

The RFP development process will involve the following steps:

1. Evaluate and determine potential RFP recipients
2. Draft RFP
3. Distribute RFP to up to 5-7 providers, including the incumbent if desired
4. Assemble and respond to RFP questions
5. Ensure complete responses are received from the bidders

### **Phase III – Analyze Request for Proposal Responses**

Following the receipt of responses by the bidders, PlanPilot will begin the evaluation process and develop a detailed review as well as a summary of the responses. Areas of significant differences will be highlighted in order to provide greater insight into the variances of the providers under consideration.

The RFP Analysis process will involve the following steps:

1. Review RFP responses
2. Request RFP clarifications, if necessary
3. Catalog service responses
4. Analyze fees and various approaches
5. Develop draft RFP summary
6. Share summary report with key contact for their initial review and approval

### **Phase IV – Present Request for Proposal Report & Conduct Finalist Meetings**

PlanPilot will review the summary report with the search committee. The summary will include areas of critical importance and highlight key differences among the respondents to these areas. Our leadership at this review meeting will provide insight and direction on which providers should be invited for a finalist meeting.

We will fully support the logistics related to conducting finalist meetings and provide checklists and committee member guides to assist you with the evaluation process at these meetings.

The RFP Report review process will involve the following steps:

1. Present RFP summary report
2. Identify areas of significant differences
3. Lead discussion on identification of potential finalists
4. Provide feedback to providers on fees and services
5. Schedule and coordinate finalist meeting
6. Provide finalist's agenda and other supporting materials

### **Phase V – Selection & Final Steps**

PlanPilot's leadership and support does not end with the selection of the finalist. We will continue to support the institution's decision-making and lead discussions with the potential provider. We have found that support at this stage is critical to ensure all the information provided in the RFP response and subsequent emails/correspondence clarifying services and fees are incorporated into the agreement.

Lastly, we advocate developing a summary of the processes and decisions involved with the OCIO provider selection. PlanPilot will draft an executive summary that incorporates this information and provide to you at the conclusion of our project.

The final phase of the RFP process will involve the following steps:

1. Select provider
2. Conduct reference checks
3. Fee and service negotiation
4. Negotiate service agreement and standards
5. Draft executive summary of process and decisions

### **Implementation Plan**

The OCIO provider will also develop a transition plan. This will include an analysis of the existing investments to determine what will be retained, and a strategy for liquidating assets that will be changed. If a change in custodian is also required, the custodian will develop a transition plan for its services. PlanPilot will review the transition plans for their comprehensiveness and reasonableness of execution and make appropriate recommendations.

### **Cyber Liability Service**

Our Cyber Liability evaluation service is designed to fully evaluate potential risks related to information sharing among service providers that support retirement plans. A summary of our services follows:

1. Information gathering including current agreements and discovering the processes related to sharing data
2. Develop a risk assessment questionnaire and request the service providers complete and respond to the questionnaire
3. Analyze the responses and develop a key to highlight areas of varying potential risk
4. Develop a summary document along with recommended steps and a timeline to address these risks
5. Review, and amend as necessary, service agreements with recordkeepers, auditors and other third parties that interface with the plan sponsor
6. Evaluate the benefits of dedicated cyber security risk insurance and determine if it is appropriate

## **Item 5. Fees and Compensation**

In addition to the information provide in Item 4, Advisory Business, this section provides details regarding our services along with descriptions of each service's fees and compensation arrangements.

### **Plan Administration and Investment Consulting Fees**

PlanPilot is compensated based upon the time and resources required by each engagement. Fees for our investment and plan consulting services are generally provided on a fixed fee basis. In circumstances where we exercise discretionary management services, such as structuring and implementing custom target date solutions, we may also be compensated on a stated percentage of assets under management.

The services generally provided under our fee agreements include:

- Investment Committee fiduciary training and support;
- Development and ongoing refinement of the Investment Policy Statement;
- Review of current investment array and fund options;
- Recommendations on additions and / or deletions to investment fund option and transition mapping strategies, or choosing and implementing investment fund options under a discretionary assignment;
- Investment fund searches;
- Plan service provider or recordkeeper searches;
- Ongoing fee and service negotiations with service provider(s);
- Service provider management; and
- Quarterly performance measurement reporting and meetings.

The fees for these services will vary dependent upon the size and complexity of the plan, and any additional services the client contracts with us to perform. As a result, clients with similar assets can have differing fee schedules and pay different fees. Every client receives an individualized contract outlining their fees and the services to be provided.

There is a range in the amount of the fixed fee charged by our firm to clients. The minimum fixed fee we charge for consulting is typically \$10,000, and the maximum fixed fee for

consulting services will be generally no more than \$100,000. Fees charged upon a percentage of assets under management in discretionary assignments will vary based on the size of the assets managed, but will generally be no more than 0.30% of the assignment.

Our fees are negotiable based on size and services provided. The initial annual fee is determined at the beginning of the relationship and is generally subject to an initial three-year minimum commitment. They can be re-evaluated and adjusted, if necessary, at any point with thirty (30) days written notice. Our fees are billed in arrears in equal quarterly installments directly to the client who will arrange for payment of the fees directly or, at their sole discretion, in accordance with the plan documents. Clients are also billed for all reasonable incidental expenses, including travel-related expenses, printing expenses, courier charges and overnight mail delivery charges actually incurred by PlanPilot in the performance of these services. All fees are due and payable fifteen (15) days from the date of billing.

We occasionally propose to perform work not described above, and may quote those projects on an hourly basis, depending upon the size, scope and duration of the requested project. Our hourly fees currently range from \$100 to \$400 per hour, dependent upon the experience of the individual providing the service. These fees are billed typically at the end of a short-term project or in quarterly installments in arrears for longer-term projects, directly to the client who will arrange for payment of the fees directly or, at their sole discretion, in accordance with the plan documents.

### **Termination of Services**

Our services are generally subject to an initial one-year minimum commitment. Following the first anniversary, our services operate on a continuous basis until terminated by either the client or PlanPilot. The termination of any of our services requires a thirty (30) days' prior written notice to either the client or PlanPilot. The effective date of termination shall be the latest of (i) the ending date of the minimum commitment, or (ii) the thirtieth (30th) day after notice of termination is given, or (iii) the date specified in the notice.

### **Additional Compensation**

Neither we nor any of our employees receive any compensation for these services other than the advisory fees paid directly by our clients, described above. To assure veracity and avoid a conflict of interest, all of our revenues are "hard dollar" consulting fees paid directly by our clients. We **do not** accept any commissions or 12b-1 fees as payment for any of our services.

### **OCIO Search Service Fees**

PlanPilot is compensated based upon the time and resources required by each OCIO search engagement. Fees for our search consulting services are generally provided on a fixed fee basis.

The services generally provided under our fixed fee agreements include:

- Information gathering and review;

- RFP development and distribution;
- Analyze RFP responses;
- Present RFP summary and conduct finalist meetings;
- OCIO selection and contracting;
- Develop transition plan.

The fees for these services will vary dependent upon the size and complexity of the endowment/foundation, and any additional services the client contracts with us to perform. As a result, clients with similar assets can have differing fee schedules and pay different fees. Every client receives an individualized contract outlining their fees and the services to be provided.

There is a range in the amount of the fixed fee charged by our firm to clients. The minimum fixed fee we charge for consulting is typically \$10,000, and the maximum fixed fee for consulting services will be generally no more than \$60,000.

Our fees are negotiable based on size and services provided. Our fixed fees are billed in arrears at the completion of the project, or in equal quarterly installments for a longer-term project, directly to the client who will arrange for payment of the fees. Clients are also billed for all reasonable incidental expenses, including travel-related expenses, printing expenses, courier charges and overnight mail delivery charges actually incurred by PlanPilot in the performance of these services. All fees are due and payable fifteen (15) days from the date of billing.

### **Cyber Liability Consulting Fees**

PlanPilot is compensated based upon the time and resources required by each cyber liability engagement. Fees for our search consulting services are generally provided on a fixed fee basis.

The services generally provided under our fixed fee agreements include:

- Information gathering and review;
- Develop a summary of cyber risks;
- Identify solution(s) to address the cyber risks; and
- Develop implementation plan.

The fees for these services will vary dependent upon the size and complexity of the assignment, and any additional services the client contracts with us to perform. Every client receives an individualized contract outlining their fees and the services to be provided.

There is a range in the amount of the fixed fee charged by our firm to clients. The minimum fixed fee we charge for consulting is typically \$5,000, and the maximum fixed fee for consulting services will be generally no more than \$10,000.

Our fees are negotiable based on size and services provided. Our fixed fees are billed in arrears at the completion of the project, or in equal quarterly installments for a longer-term project, directly to the client who will arrange for payment of the fees. Clients are also billed for all reasonable incidental expenses, including travel-related expenses, printing expenses, courier charges and overnight mail delivery charges actually incurred by PlanPilot in the performance of these services. All fees are due and payable fifteen (15) days from the date of billing.



## Item 6. Performance Based Fees and Side-By-Side Management

Performance-based fees are defined as investment advisory fees based on a share of capital gains on, or capital appreciation of, client assets. We **do not** receive performance-based fees. Side-by-side management involves the management of both accounts that are charged a performance-based fee and accounts that are charged another fee, such as an hourly or flat fee or an asset-based fee. We **are not** involved in any side-by-side management.

## Item 7. Types of Clients

We generally provide investment advice to the following types of clients:

Qualified retirement plan sponsors

Non-qualified retirement plan sponsors

### **Minimum Investment Amounts Required**

We do not have a minimum investment amount.

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

### **Methods of Analysis**

We use fundamental and quantitative criteria when formulating investment advice and providing recommendations to our clients.

- **Fundamental criteria** may include items such as philosophy and knowledge base of the investment firm, ownership structure, assets under management (specifically for the asset class under consideration), portfolio manager and analyst backgrounds, research capabilities, and trading operations.
- **Quantitative criteria** may include items such as a fund's price-to-earnings (P/E) ratio, risk-adjusted returns, upside and downside performance, trailing performance on an absolute and relative basis, expense ratios and other data that are objectively measurable.

We use these methods for recommending investment managers and not individual security analysis. PlanPilot does not provide research on an individual security basis.

PlanPilot follows a formalized investment research process that is intended to meet the fiduciary requirements under ERISA. Specifically, we use our research capabilities for the following steps to identify, evaluate, and recommend investment managers for our clients:

- **Determine Specific Selection Criteria** – We develop fundamental and quantitative screening criteria for the investment options we research. Fundamental criteria include

philosophy and knowledge base of the investment firm, ownership structure, assets under management, portfolio manager and analyst backgrounds, and research capabilities. Quantitative criteria include risk-adjusted returns, style consistency, upside and downside performance, and trailing performance on an absolute and relative basis. The selection criteria will become the measurement tool against which each of these investment options will be compared. Included in the screening criteria may be an assessment of each fund's trading and operational requirements.

- **Screen and Analyze Funds** – We utilize our analysis software and databases to identify various investment managers that meet the general selection criteria we have developed. We augment our quantitative process by sending detailed investment questionnaires to the investment managers we research. Our goal is to gain a deeper understanding of the firm's overall organization, specific investment process and portfolio manager and analyst backgrounds. These questionnaires provide a base of information, leading to deeper fundamental analysis. In addition to the questionnaires, we may also review a fund's prospectus (or Declaration of Trust if it is a collective investment trust), ADV Part I, ADV Part II, and Statement of Additional Information.
- **Conference Calls and Face-to-Face Meetings** – We may conduct onsite visits to investment manager locations and/or conduct conference calls to gain a better understanding of the working environment, team atmosphere, technical resources, and other facets of their investment management operation. In addition, we monitor industry publications, online resources, and our vast network of industry insiders and contacts. These efforts aid us in uncovering the various issues that may potentially impact our clients' investment portfolios.

In addition, please refer to **Investment Manager Evaluation and Selection** and **Ongoing Investment Performance and Plan Monitoring**, under **Item 4, Advisory Business**, for additional discussion on our analysis and evaluation methods.

### **Investment Method**

As described above, we use fundamental and quantitative investment analysis methods when recommending or implementing investment advice for our clients.

### **Risk of Loss**

For the investment managers that we recommend, investing in the securities market involves a risk of loss that clients should be prepared to bear, including loss of original principal. Clients should be aware that past performance of any investment is not necessarily indicative of future results. Therefore, no current or prospective client should assume that future performance of any specific investment or investment strategy will be profitable. PlanPilot does not provide any representation or guarantee that client goals will be achieved.

By developing and following a thorough process for our research we hope to identify and recommend investment managers that meet the goals and objectives that our clients have set forth and are consistent when applicable with ERISA. It is our goal that recommendations be made that meet the needs of our clients and can support fiduciary duties under ERISA.

Investing in the products we recommend involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk for the investment option or the underlying investment managers:

- Market Risk. Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases / decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- Exchange Traded Fund (ETF) and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a *pro rata* share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs

- Management Risk. Client investments also vary with the success and failure of PlanPilot's investment strategies, research, analysis and determination of portfolio securities. If PlanPilot's strategies do not produce the expected returns, the value of a client's investments will decrease.

### **Use of Primary Method of Analysis or Strategy**

The primary methods of analysis we use for identifying investment managers are fundamental and quantitative analysis. Some of the risks involved with using these methods include recommending investment managers that do not meet the needs of our clients, misinterpretation of data, data errors within our databases that we use for analysis, and not following the process we have set forth.

We hope to minimize these risks through thorough research, multiple discussions directly with the investment managers, procedural due diligence and ongoing monitoring of the investment managers our clients use. As a fiduciary to the plans we serve, we understand the risks involved in recommending investment managers to clients and work at all times to minimize these risks.

### **Primarily Recommend One Type of Security**

We do not primarily recommend only one type of security.

## **Item 9. Disciplinary Information**

We do not currently have, nor have we had, legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

## **Item 10. Other Financial Industry Activities and Affiliations**

PlanPilot **does not** have any employees that are registered, or have an application pending to register, as a broker-dealer, a municipal securities dealer, a government securities dealer or broker, a futures commission merchant, commodity pool operator or commodity trading advisor.

PlanPilot **does not** have any related parties. We, and our employees, do not have any relationships that would create a conflict of interest with any of the following:

- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund", and offshore fund)
- Other investment advisor or financial planner
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm

- An insurance company or agency
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

As discussed in **Item 4, Advisory Business**, we are a retirement plan and investment consulting firm. PlanPilot only receives compensation directly from our clients. We do not receive compensation from, or provide compensation to, any outside source. We do not have any conflicts of interest with any outside party.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that applies to all of our employees.

An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. We have a fiduciary duty to all of our clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider-trading and personal securities transactions policies and procedures.

We require all of our employees to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with us, when any changes occur, and at least annually, all employees sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our own or our employees' investment interests.

Full disclosure of all material facts and conflicts of interest, if any, is provided to clients prior to any services being conducted. We and our employees must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided to give you a summary of our Code of Ethics. However, if you wish to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Participation in Client Transactions and Personal Trading**

Both we and our employees can buy or sell securities or mutual funds, or have an interest or position in a security or mutual fund, within our personal accounts that are also recommended

to clients. We are and will continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*.

As these situations represent a conflict of interest, it is our policy that no employee will prefer his or her own interest to that of our clients. Our clients retain all control over the timing and content of their security and mutual fund trades. We **do not** execute trades for our clients' accounts.

Our employees will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his / her employment unless the information is also available to the investing public upon reasonable inquiry.

Neither we nor our employees recommend securities to clients, or buys or sells securities for client accounts, therefore this area conflict of interest does not exist.

## **Item 12. Brokerage Practices**

We **do not** recommend broker-dealers. You are free to select any broker-dealer you wish. We **do not** receive any research, soft dollar benefits, incentives or any other products or services from any broker-dealer.

## **Item 13. Review of Accounts**

### **Account Reviews and Reviewers**

When we are retained for ongoing investment monitoring and analysis services, we typically review the performance of your account quarterly. Each review is conducted by one or more of our employees and the evaluation will be presented to your Committee in written format and usually in oral format as well.

The calendar is the main triggering factor, although you can also request a performance review at any time, and your individual situation may prompt a more frequent review.

Reviews consider the following:

- Risk-return performance relative to investment objectives and peer universes
- Investment methodology and process
- Consistency of investment style
- Stability and effectiveness of investment organization
- Portfolio profile and characteristics
- Skills, experience and knowledge of investment managers.

### **Statements and Reports**

Because we do not hold any plan assets, we do not prepare account statements. Our clients and plan participants receive account statements from their plan trustees, custodians and / or their third party administrators at least quarterly. You are urged to review those statements and any questions about them should be reported to the preparer immediately.

Our clients will receive investment monitoring reports from us on a quarterly basis. You are urged to review these reports and any questions about them should be reported to us immediately.

## **Item 14. Client Referrals and Other Compensation**

### **Client Referrals**

We **do not** directly or indirectly compensate any person for client referrals.

### **Other Compensation**

We **do not** receive any compensation other than advisory fees as described at **Item 5, Fees and Compensation**.

## **Item 15. Custody**

Custody is defined as having access or control over client funds and / or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented.

Our procedures **do not** result in our maintaining custody of client funds and securities.

Although we **do not** have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained.

Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements. When clients have questions about their account statements, they should contact the qualified custodian preparing the statement.

## **Item 16. Investment Discretion**

When providing Fiduciary Management 3(38), PlanPilot maintains trading authorization over Plan assets and will provide management services on a discretionary basis which must be

authorized in our written client agreement. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold without obtaining client consent prior to each transaction.

### **Item 17. Voting Client Securities**

We **do not** vote proxies or accept proxy materials on your behalf. All proxy materials are sent directly to you from the product sponsor, custodian or transfer agent. You have the ultimate responsibility for making all proxy-voting decisions. However, if you have a question about a particular proxy issue, you can contact us to discuss the situation.

### **Item 18. Financial Information**

This item is not applicable to our brochure. We do not require, nor do we solicit, prepayment of our fees. We **do not** have discretionary authority or custody of client funds or securities. We have never been the subject of a bankruptcy petition. Therefore, we are not required to include a balance sheet for our most recent fiscal year.