



Herr Investment Group LLC

N41W23424 Century Farm Road Pewaukee, WI, 53072

(312) 971-7800

info@herrinvest.com

Brochure

(Form ADV Part 2A)

December 22, 2021

This Brochure provides information about the qualifications and business practices of Herr Investment Group LLC. If you have any questions about the contents of this brochure, please contact us at info@herrinvest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Herr Investment Group LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration with the SEC does not imply a certain level of skill or training.

Additional information about Herr Investment Group LLC is available on the SEC's website at www.adviserinfo.sec.gov (CRD # 315227)

Item 2: Material Changes

The purpose of this Item #2 is to alert any previous recipients of our brochure of any material changes to our business relationship with you. Because this is our first brochure, there are no material changes to disclose.

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Item 4: Advisory Business

Herr Investment Group LLC (“we”, “us” or the “Firm”) was established in 2021. The managing member of Herr Investment Group LLC, Daniel Herr, has been providing investment guidance and portfolio management services to individuals, professionals, business owners, businesses/corporations, retirement plans, and charitable organizations since 2005.

As a registered investment adviser subject to Section 206 of the Investment Advisers Act of 1940, Herr Investment Group LLC acts as a fiduciary in the conduct of its investment advisory services. As such, Herr Investment Group LLC has an obligation to act in the best interest of its clients, guided by its core fiduciary duties of loyalty and care.

Advisory Services - Investment Portfolio Management

Herr Investment Group LLC provides continuous and regular portfolio management services primarily on a discretionary basis. This means that you grant us authority to supervise and direct the trading of the securities in your account(s) without us needing to contact you before trades are executed. Herr Investment Group LLC will recommend an investment strategy and individually design a portfolio of investments which can include one or a combination of equities, bonds (Gov’t & Corporate), mutual funds, Exchange Traded Funds (ETFs), Closed-End Funds, Options, Futures, Commodities, Currencies (incl. exposure to digital forms), Private Offerings, Alternative Investments, and other securities including short-term money market instruments. We monitor the holdings and percentage allocations in your account(s) no less frequently than quarterly. If and when non-discretionary services are provided, Herr Investment Group LLC will make recommendations while you make the ultimate decisions and take responsibility for the final selection of securities bought or sold.

We encourage clients to inform us in the event of any significant life changes, such as setting a retirement date, having a child, receiving an inheritance, etc., so we can perform a re-assessment to determine the proper investment strategy from that point forward. It is our policy to review accounts with our clients no less frequently than annually.

Herr Investment Group LLC’s investment strategies are primarily long-term focused, but from time to time, we buy, sell or reallocate positions that have been held less than one year to meet the objectives of a particular strategy or due to market conditions. (See Item #8 below for a more detailed description of our forms of analysis and our investment strategies.)

Customization of Client Accounts

Before we begin managing a client portfolio, we engage a new or potential client in a pre-advisory consultation to better understand the client’s financial situation and expectations. During this consultation, we:

- Review the client's investment goals and objectives, tax situation, financial needs (e.g., income, liquidity, etc.), and limitations
- Gauge the client's tolerance for risk
- Analyze current investment strategies and asset allocation

By understanding each of these financial characteristics and communicating our investment philosophy, we then develop an investment portfolio for the client and set the expectations for our client-adviser relationship.

We will take into consideration special situations such as restrictions on certain securities or asset classes, liquidity needs, and tax situations when managing portfolios. We continuously manage the investments in the portfolios, and the guidelines for each account are periodically reviewed as needed with clients for any changes in the basic assumptions. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio. However, Herr Investment Group LLC reserves the right to decline to accept certain client restrictions that, in our judgement, would prevent us from employing our strategy to pursue the client's objective or if the restriction would unreasonably add to costs (e.g., research).

Wrap Fee Programs

Herr Investment Group LLC does not participate directly or indirectly in any wrap fee programs.

Assets Under Management

As of the date of this filing, Herr Investment Group LLC has no regulatory assets under management.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);

- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Item 5: Fees and Compensation

Investment Management Fees

Clients enter into an Investment Advisory Agreement (“IAA”) with Herr Investment Group LLC that outlines the services provided and fees paid to Herr Investment Group LLC. For on-going management, the client will pay an asset management fee based on the value of the client’s account.

Herr Investment Group LLC retains the discretion to decide the level of fees on a client-by-client basis. Fees generally range from 0.60% to 2.50% annually of the assets being managed as negotiated with each respective client depending upon various factors including, but not limited to, complexity of the client’s needs, assets to be placed under management, anticipated future additional assets, scope and frequency of necessary services, portfolio style, trading frequency and activity, and account composition. The specific annual fee is identified in the IAA between Herr Investment Group LLC and each client. If a tiered fee schedule is used, Herr Investment Group LLC will not aggregate all of the client’s accounts for the purpose of reaching a given tier in the fee schedule, but will charge each account separately. This practice may result in the client paying overall higher advisory fees than if the accounts were aggregated and charged an advisory fee based-off of the single tiered schedule.

Herr Investment Group LLC considers cash to be a distinct asset class and the value of such assets are included in the advisory fee calculation. When yields on cash/money market funds are low enough, the amount of income those investments generate will not exceed the dollar amount of the advisory fee that client accounts pay proportionately with respect to those assets. Consequently, clients will indirectly experience a negative effective return on any cash position during these periods of low interest rates.

Clients are generally billed monthly, in arrears. For accounts custodied at Interactive Brokers, the fee is calculated daily, at the annual percentage rate specified in the client’s IAA. In the event the IAA is terminated, the fee for the final billing period is assessed through the effective date of the termination and the outstanding portion of the fee is billed to the Client.

Direct Fee Debit

Clients generally provide Herr Investment Group LLC with the authority to directly debit their accounts for payment of the investment advisory fees. The financial institution that acts as the

qualified custodian for Client accounts, from which we retain the authority to directly deduct fees, has agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to Herr Investment Group LLC.

Additional Fees and Expenses

In addition to the advisory fees paid to Herr Investment Group LLC, Clients also incur certain charges imposed by other third parties, such as the custodial broker, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include, but are not limited to, securities brokerage commissions, transaction fees, redemption fees, short term transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF held in a Client's account as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

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

Herr Investment Group LLC does not charge performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client).

Item 7: Types of Clients

As noted in Item 4, Herr Investment Group LLC provides wealth management services to individuals, professionals, business owners, businesses/corporations, retirement plans, and charitable organizations.

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

Methods of Analysis

We use the following methods in formulating our investment advice and managing client assets:

Fundamental - This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in determining the position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Technical - This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets may be indications of future performance.

Investment Strategy

We generally use a long-term investment strategy in managing client accounts that is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons. Occasionally, short term and/or trading strategies may be blended with long term. This strategy is implemented with portfolios being individually designed to meet clients' accumulation and income needs, while also considering their tax situation.

➤ **Long term** - investments held at least a year.

➤ **Short term** - investments sold within a year.

➤ **Trading** - investments sold within 30 days.

➤ **Margin transactions.** When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$10,000 worth of stock in a margin account by paying for \$5,000 and borrowing \$5,000 from a brokerage firm.

➤ **Options transactions** including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

➤ **Asset Allocation:** When employing asset allocation as a primary strategy, rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equities, fixed income, mutual funds, ETFs, cash, and other investments across asset classes appropriate for the client's investment goals and risk tolerance. Additionally, we utilize third party research to analyze current market data and valuations of various market sectors and asset categories to identify investment opportunities.

For intentionally diversified portfolios, we strive to diversify both across and within various asset classes (e.g., stocks, bonds, and cash, with the stocks being those of domestic and foreign, small, medium, and large, growth and value, and developed as well as emerging markets and companies).

Risks of Loss

No method of analysis or investment strategy can ensure a gain or the avoidance of loss. All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized. Stock markets and bond markets fluctuate substantially over time. In addition, the performance of any specific investment is not guaranteed.

Types of Investments and Risk of Loss

- **Investment Company Risk** - Investment companies include open-end and closed-end investment companies. Shares in investment companies represent interests in professionally managed portfolios. These investments involve substantially the same risks as investing directly in the underlying instruments; in addition, the return from such an investment will be reduced by the operating expenses and fees of the investment company, including applicable advisory fees.
- **Equity Investment Risk.** Equity securities include common stocks, preferred stocks,

convertible securities, and mutual funds that invest in these securities. Equity markets can be volatile. Stock prices rise and fall based on changes in an individual company's financial condition and overall market conditions. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.

- **Bond Risk.** Rising interest rates will generally cause the prices of bonds and other debt securities to fall. In addition, falling interest rates can result in an issuer redeeming, calling, or refinancing a security before its stated maturity. Longer maturity debt securities are subject to greater price fluctuations than shorter maturity debt securities. Bonds and other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest, and the security will go into default. Lower quality debt securities generally have higher rates of interest and are subject to greater price fluctuations than higher quality debt securities.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market can be more volatile and perform differently than the broader market. The several industries that constitute a sector can all react in the same way to economic, political, or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries can adversely affect performance.
- **Currencies, including exposure to digital forms.** Currency prices have historically been highly volatile at various times. Price movements for currencies are influenced by, among other things: changing supply and demand; liquidity constraints; trade, fiscal, monetary, and exchange control policies of governments; U.S. and foreign political and economic events; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the marketplace. None of these factors can be controlled by Herr Investment Group LLC. No assurance can be given that clients will not incur losses due to such factors or events.
- **Commodities and Futures.** While any investment in commodities and futures will be consistent with regulatory limits, trading commodity and security futures contracts involves substantial risk as losses can be significant in a very short period of time. The amount of loss is potentially unlimited and can exceed the amount originally invested. This is due to futures

trading being highly leveraged, with a relatively small amount of money used to establish a position in assets having a much greater value. Under certain market conditions, it is difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move"). (Also see the information on speculative position limits in Item 10 below.) Funds deposited with a futures commission merchant for trading futures positions are not protected by insurance in the event of the bankruptcy or insolvency of the futures commission merchant, or in the event funds are misappropriated.

- ***Private Offerings/Investments.*** Investing in Private Offerings/Investments involves various risk factors, including, but not limited to liquidity constraints and lack of transparency, and typically represents speculative investments with a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in a private investment. Any investment in private investments should be only with discretionary capital set aside strictly for speculative purposes. At times, the illiquidity of the market, as well as the lack of publicly available information regarding these securities may make it difficult to determine the fair market value of such securities or to sell at prices near fair market value. Private offerings may be difficult to sell because a ready market for resale may not exist at any given time. If the investment is a Private Fund, other risk considerations include any lack of portfolio investment diversification, and risks associated with the underlying investments. An investment in a private investment fund is not suitable or desirable for all clients. Only qualified eligible clients (aka *accredited investors*) can invest in private investment funds. An investment in a private investment fund is usually illiquid and there can be significant restrictions on transferring interests in a private investment fund.
- ***Alternative Strategy Mutual Funds.*** Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies is not suitable for all investors and involves special risks, such as risks associated with commodities, futures, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes, and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- ***Exchange-Traded Funds (ETFs).*** ETFs are typically investment companies that are legally

classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds, particularly in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. ETFs can be closed and liquidated at the discretion of the issuing company.

- **Market Risk.** This is the risk that the value of securities owned by an investor goes up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can rise and fall based on changes in an individual company’s financial condition as well due to investor sentiment for that particular company or security.
- **Individual Security Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Tax Consequences of Mutual Funds

When investors buy and hold an individual stock or bond in a taxable account, the investors are liable for income taxes each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax unless and until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund’s distributed capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if the fund sells securities for a profit that cannot be offset by a loss.

Investing Outside the U.S.

Investing outside the United States involves additional risks of foreign investing. These risks include currency controls and fluctuating currency values, and different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices. Additional factors include changing local, regional, and global economic, political, and social conditions. Further, expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs can be contributors to greater risk. Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends can also lead to additional risk.

Investments in developing countries can further heighten the risks described above. A developing country may be in the earlier stages of its industrialization cycle with a low per capita gross domestic product ("GDP") and a low market capitalization to GDP ratio relative to those in the United States and the European Union. Historically, the markets of developing countries have been more volatile than the markets of developed countries.

In general, developing countries have less developed legal and accounting systems. The governments of these countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect security prices. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries are also relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid than securities issued in countries with more developed economies or markets.

Cash and Cash Equivalents

Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments meaning, there is little risk of losing the principal investment. Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investments.

Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Herr Investment Group LLC or the integrity of Herr Investment Group LLC's management. Herr Investment Group LLC has no legal or disciplinary events that meet this requirement for disclosure.

Item 10: Other Financial Industry Activities and Affiliations

Herr Investment Group LLC and its employees are not registered, nor have an application pending to register, as a broker-dealer or registered representatives of a broker-dealer. Additionally, Herr Investment Group LLC and its employees are not registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, insurance agent or as an associated person of any entity engaged in the foregoing fields.

Herr Investment Group LLC does not recommend, nor do we select, other investment advisers for our clients.

Daniel Herr is also a 50% owner of Pointillist Capital Management, LLC (“PCM”), the sponsor and investment manager for a private fund for which Mr. Herr shares in portfolio management responsibilities with his business partner, Jorey Chernett. PCM is currently exempt from registration with the SEC in reliance upon the private fund adviser exemption. Mr. Herr dedicates a meaningful portion of his day to the management of this private fund, which is time that he will not spend on providing investment advisory services to the clients of Herr Investment Group LLC. In connection with his roles at Herr Investment Group LLC and PCM, Mr. Herr will enter into trades for clients that are either similar to or different from trades that are entered into on behalf of the PCM fund and will employ more or less leverage for such trades. Investments will also be traded for Herr Investment Group LLC clients either before or after similar trades are made on behalf of the PCM fund, and such clients will directly compete with the PCM fund for trade executions and positions in the marketplace, thus receiving different price executions. Different brokerage commissions will also apply with respect to trades made for clients versus the PCM fund, and Mr. Herr will not aggregate orders for the PCM fund with Herr Investment Group LLC investment advisory client transactions. See Item 12 below for additional information on trade aggregation.

Herr Investment Group LLC has developed policies and procedures designed to ensure all transactions are in the best interests of its clients, including procedures surrounding the allocation of portfolio transactions and investment opportunities. Although Herr Investment Group LLC does not recommend or solicit advisory clients to invest in the PCM fund, there are instances in which a Herr Investment Group’s advisory client is also an investor in the PCM fund. The fees applicable to investors in the PCM fund are different than those in client accounts managed by Herr Investment Group LLC. Despite any potential or actual conflicts of interest that Mr. Herr may have in connection with such activities, on a best-efforts basis, Mr. Herr seeks to be as fair as possible to all clients over time and to look after their interests, both in connection with his work at Herr Investment Group LLC and PCM. Demands on Mr. Herr’s time may also be made by various clients and distract from his efforts to manage the accounts of all clients. The IAA does not require Herr Investment Group LLC or its principals or affiliates to devote all or any specified portion of their time to managing the affairs of applicable accounts, but rather only to devote so much of their time to such accounts’ affairs as they reasonably believe necessary in good faith. Nor does the IAA prohibit Herr Investment Group LLC or any of its principals or affiliates from engaging in any other existing or future business. Herr

Investment Group LLC and/or companies with which it or its principals are affiliated, such as PCM, may from time to time act as manager, investment adviser, or be otherwise involved in, other clients, including other investment funds or client accounts as well as proprietary accounts, including those which follow an investment program substantially similar to or different from that deployed on behalf of client accounts (such other clients, funds and accounts, collectively the “Other Accounts”). Clients will not have an interest in such Other Accounts. Conflicts of interest among clients and these Other Accounts can exist, which include, but are not limited to, those described herein. These Other Accounts may have investment objectives that are similar to, or overlap to a greater or lesser extent, with those of the Other Accounts (such as in the case of the PCM fund). Herr Investment Group LLC will determine that an investment opportunity is appropriate for an Other Account but not for a client account or that the allocation to a client account should be of a different proportion than that of an Other Account.

Herr Investment Group LLC, will have no obligation to purchase, sell or exchange any investment for the which Herr Investment Group LLC or its affiliates may purchase, sell or exchange for one or more Other Accounts if the Herr Investment Group LLC believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for the applicable account.

As a general policy, investment opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate pro rata based on the relative capital size of the accounts. In addition, Herr Investment Group LLC will also take into consideration such other factors as the investment programs of the accounts, risk considerations, tax consequences, legal or regulatory restrictions, including those that may arise in non-U.S. jurisdictions, the relative historical participation of an account in the investment, the difficulty of liquidating an investment for more than one account, new accounts with a substantial amount of investable cash and such other factors considered relevant. Such considerations may result in allocations among an account and one or more Other Accounts on other than a pari passu basis (which could result in different performance among them).

Subject to applicable law, Herr Investment Group LLC may, in its sole discretion, negotiate and enter into various different IAAs on behalf of clients that will result in different terms applicable to different clients. As a result of such differences, certain clients may receive additional benefits which other clients will not receive. Except as required by law, in general, Herr Investment Group LLC will not be required to notify any or all of the other clients of any such differences or any of the rights and/or terms or provisions thereof, including regarding fees, nor will Herr Investment Group LLC be required to offer such additional and/or different rights and/or terms to any or all of the other clients.

In addition, in the course of conducting due diligence, certain clients may request information pertaining to their investments (either verbally or in writing), including information that is not generally made available to all clients. Herr Investment Group LLC may respond to such requests without providing relevant information to all other clients. Such information may affect a client’s decision to start or maintain an account with Herr Investment Group LLC. If a client does not request

the additional information that is provided to other clients, the client may be at a disadvantage in making decisions concerning additional investments, maintaining certain investments, etc. Herr Investment Group LLC is generally available to receive reasonable requests from clients about their investments. However, subject to the applicable IAA, Herr Investment Group LLC reserves the right to determine, in its sole discretion, what information is appropriate to provide in response to inquiries from clients.

The commodity interest positions held by the accounts Herr Investment Group LLC manages, directly and indirectly, are aggregated when calculating speculative position limits. As a result, an account will not be able to enter into or maintain certain positions, because its positions, when added to the positions held by the Herr Investment Group LLC's other client accounts, would exceed speculative position limits. If open positions must be reduced to fall below speculative position limits, Herr Investment Group LLC will seek to treat all accounts in a fair and equitable manner. However, circumstances may require Herr Investment Group LLC to take actions to comply with the limits that result in disparate treatment of accounts.

Other present and future activities of Herr Investment Group LLC and its affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, Herr Investment Group LLC will attempt to resolve such conflict in a fair and equitable manner.

Item 11: Code of Ethics

Herr Investment Group LLC has adopted a Code of Ethics pursuant to SEC rule 204A-1 for all employees of the Firm describing its high standards of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment, personal securities trading, and conflicts of interest, among other things. All employees must acknowledge the terms of the Code initially upon hire as well as annually or as amended.

Our Code of Ethics is designed to assure that our employees' personal securities transactions, activities, and interests will not adversely impact advisory clients.

Employees are permitted to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with our personal trading guidelines and applicable regulatory requirements. Employees are permitted to buy or sell for their personal accounts securities similar to those recommended to or owned by clients. All reportable transactions are reported to the Chief Compliance Officer in accordance with the reporting requirements outlined in the Code, and personal trading is monitored in order to reasonably prevent conflicts of interest between Herr Investment Group LLC and its clients.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Item 12: Brokerage Practices

Directed Brokerage: Herr Investment Group LLC generally requires clients to direct Herr Investment Group LLC to use Interactive Brokers (“IB”) as the client’s custodian and trade execution broker. **Not all advisers require clients to use one specific custodian and/or trade execution broker.** Herr Investment Group LLC, as a result of this direction, does not have the discretion to select another broker/dealer for trade execution or to negotiate commission rates. Herr Investment Group LLC is not affiliated with IB and receives no special financial or other incentives for its relationship with IB. At its sole discretion, Herr Investment Group LLC will agree to utilize a custodian and broker other than IB such as when a specific Trust company is requested.

Factors we consider in requiring IB or any other custodial broker include access/ability to trade and hold international securities, respective financial strength, reputation, on-line account viewing/trading access, trade execution (including block/aggregate trading and allocation), pricing, research, and account administration and reporting services. **The commissions, transaction, and overall fees charged by IB may be higher or lower than those charged by other Financial Institutions.**

In addition to the factors listed in the paragraph above, Herr Investment Group LLC is offered or provided support services and/or products from IB, which consists of:

- investment-related research
- pricing information and market data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events

Soft Dollar Arrangements: Herr Investment Group LLC does not have any soft dollar arrangements or commitments to obtain any research or research related products or services in connection with client securities transactions. The support services shown above are offered/provided to Herr Investment Group LLC based on the overall relationship between Herr Investment Group LLC and IB. The offer/provision is not the result of any soft dollar arrangement or any other express arrangements that involve the execution of client transactions as a condition to the receipt of services.

The availability of these benefits from IB creates a conflict of interest for Herr Investment Group LLC in that the availability of these products and services presents a financial incentive for us to require that Herr Investment Group LLC’s clients use IB’s custodial platform rather than another custodian’s platform. However, Herr Investment Group LLC will continue to receive the services regardless of the volume of client transactions executed with IB. Clients do not pay more to IB for services as a result of this arrangement.

Brokerage for Client Referrals: Herr Investment Group LLC does not recommend a custodial broker to clients based on our interest in receiving client referrals.

Best Execution

As a fiduciary, with respect to transactions the Firm implements on behalf of its advisory clients who do not direct brokerage to a specific firm, we have an obligation to seek to obtain the most favorable terms reasonably available under the circumstances. Herr Investment Group seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances.

Trade Allocation and Aggregation: Herr Investment Group LLC will, but is not obligated to, aggregate trades in certain circumstances. If trades are aggregated, participating clients will receive an average share price, and transaction costs will be shared equally and on a pro-rata basis. Aggregating trades allows us to execute trades in a more timely and more equitable manner. No client or account will be favored over another.

Prior to entry of an aggregated order, an order submission is completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients. In the rare instances when an order cannot be executed in full, we will allocate the transaction according to a random allocation method in order to not favor any one client over another.

Mutual Fund Share Class Selection: Mutual funds generally make available multiple share classes for investment based upon certain eligibility and/or purchase requirements. Institutional share classes usually have a lower expense ratio than other share classes. When recommending investments in mutual funds, it is our policy to review and consider available share classes. The Firm's policy is to select the most appropriate share classes based on various factors including, but not limited to minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability, and other factors. When considering all the appropriate factors, we can select a share class other than the 'lowest cost' share class. We consider retail, institutional, or other share classes of the same mutual fund. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should review the mutual fund prospectus to learn more about the fees and expenses related to the mutual funds Herr Investment Group LLC selects or recommends. The choice of share classes is a complex issue. Please discuss this with your Advisor to ensure that you understand the choices involved.

Also, in some instances, legacy positions that are already held at the inception of the account may be retained when that class is deemed to be the most appropriate available class. We periodically review the mutual funds held in client accounts to select the most appropriate share classes in light of our duty to obtain the best execution. Regardless which share class is held, Herr Investment Group LLC does not receive any revenues from mutual fund companies.

Item 13: Review of Accounts

While the underlying securities within Client accounts are monitored on an on-going basis, the accounts are reviewed at least quarterly relative to each Client's stated investment objective(s) and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances or the market, political or economic environment. The Herr Investment Group LLC investment adviser representative for your account will perform the review.

Clients receive written monthly statements (or quarterly if there is no monthly activity) and confirmations of transactions directly from Interactive Brokers (IB) (or any other custodian/broker the client has chosen) detailing account holdings and all activity within the account, including all contributions, withdrawals (including fees assessed by Herr Investment Group LLC), and purchase/sell transactions. It is our policy to meet with Clients on an annual basis. If/when Herr Investment Group LLC provides any reports in addition to the statements from IB, clients are advised to compare the reports provide by Herr Investment Group LLC with the statements received from IB or the client's chosen broker.

Item 14: Client Referrals and Other Compensation

Herr Investment Group LLC and its employees do not receive any sales awards or prizes as compensation from third parties. As a matter of policy and practice, Herr Investment Group LLC does not compensate any third-party persons, either individuals or entities, for the referral of advisory clients to the Firm.

Item 15: Custody

To paraphrase the relevant rule under the Advisers Act, custody is having access to or control over client assets. In simple terms, Herr Investment Group LLC does not accept general custody of client funds or securities. We are not granted access by our clients which would enable us to randomly withdraw, transfer, or otherwise move funds or cash from a client's account to someone else's account. While Herr Investment Group LLC does not have or take physical custody of client assets, the Firm does have a form of custody in that our standard client agreement enables us to deduct advisory fees directly from client accounts. All client assets are held and maintained with a qualified custodian.

Also, when it would be helpful to clients, upon written instruction, and with certain specific limitations, we are permitted to implement a Standing Letter of Authorization (SLOA) or journal instructions with your account custodian (i.e., Interactive Brokers). A SLOA allows Interactive Brokers to accept instructions from Herr Investment Group LLC that originate from you, the accountholder. All disbursements under a SLOA must be distributed to only those accounts or addresses that you, the accountholder, have previously specified in writing.

Herr Investment Group LLC has implemented procedures to meet the specific conditions as stated in the SEC's SLOA "No-Action Letter" under which the obligation to obtain a surprise examination is waived. Each custodian holding client assets sends statements directly to the account owners on at least a quarterly basis. The statements include a list of all securities held in the portfolio, their market value as of the last day of the previous month and all trade activity taking place since the last statement. Statements also reflect Herr Investment Group LLC's advisory fee charges to the custodial account. Method of delivery of the statements is determined by the individual client when he or she completes the custodial account application. We urge clients to carefully review such statements and compare the official custodial records to any report that Herr Investment Group LLC provides. If you are not receiving a statement from your custodian, please contact us at info@herrinvest.com.

Item 16: Investment Discretion

Herr Investment Group LLC provides management services on a discretionary basis. This means that you grant us authority to supervise and direct the trading of the securities in your account(s) without contacting you before trades are executed.

Upon rare occasion, non-discretionary services are made available. When non-discretionary services are provided, you make the ultimate decisions and take responsibility for the selection of securities bought or sold. With non-discretionary services, on some occasions, taking the time to reach you to discuss whether to execute a given trade could cause your transactions to be executed at prices that are less favorable than with our discretionary services.

Item 17: Voting Client Securities

As a matter of Firm policy, Herr Investment Group LLC does not accept proxy voting authority with respect to client securities. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Clients should receive proxy materials directly from the issuer or the custodian (i.e., Interactive Brokers). Clients may contact Herr Investment Group LLC for assistance regarding proxy issues.

Further, the Firm has no responsibility to render legal advice or take any legal action on Client's behalf with respect to securities currently or previously held in Client account or the issuers thereof, that become the subject of legal proceedings, including bankruptcy proceedings or class actions.

Item 18: Financial Information

As a registered investment adviser, Herr Investment Group LLC's fiduciary duty includes keeping you, the client, informed of any developments with Herr Investment Group LLC's financial condition that could impact its ability to deliver its services. Herr Investment Group LLC has no financial

commitment or condition that could reasonably be expected to impair its ability to meet contractual and fiduciary commitments to clients.

Also, registered investment advisers that collect fees in excess of \$1,200 more than six months in advance are required to provide a balance sheet. Herr Investment Group LLC does not require or solicit prepayment of fees more than six months in advance.

Additional Information - IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our Firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our Firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage, we encourage you to consider the following points before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a) Employer retirement plans generally have a more limited investment menu than IRAs.
 - b) Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.

3. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
4. Our strategy may have higher risk than the option(s) provided to you in your plan.
5. Your current plan may also offer financial advice.
6. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
7. Your 401k may offer more liability protection than a rollover IRA; each state may vary. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
8. You may be able to take out a loan on your 401k, but not from an IRA.
9. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
10. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
11. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.