

# **Pinnacle Asset Management Group, Inc Brochure**

(Part 2A of Form ADV)

**Pinnacle Asset Management Group, Inc**

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This brochure provides information about the qualifications and business practices of Pinnacle Asset Management Group. If you have any questions about the contents of this brochure, please contact us at: 318-221-7526, or by email at: [ddecharles@sagepointadvisor.com](mailto:ddecharles@sagepointadvisor.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 Pinnacle Asset Management Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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# 1. Material Changes

**A. Material changes since our last annual amendment, dated March 2020: NONE**

**B. Full Brochure Available** - Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 318-221-7526 or by email at: [ddecharles@sagepointadvisor.com](mailto:ddecharles@sagepointadvisor.com).

## **2. Advisory Business**

### **A. Firm Description:**

Pinnacle Asset Management Group, Inc., ("Pinnacle Asset Management Group") was founded in 1996. On January 1, 2018 Pinnacle Asset Management Group transitioned from a Limited Liability Company (LLC) to a Corporation (Inc.)

Pinnacle Asset Management Group provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Investment advice is an integral part of financial planning. In addition, Pinnacle Asset Management Group advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. Pinnacle Asset Management Group does not act as a custodian of client assets. The client always makes decisions and always maintains control of over assets.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

### **B. Principal Owners:**

Diana DeCharles is a 90% stockholder.  
Christina DeCharles is a 10% stockholder.

### **C. Types of Advisory Services:**

Pinnacle Asset Management Group provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues periodicals about securities by subscription; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, Pinnacle Asset Management Group furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Pinnacle Asset Management Group does not receive any compensation, in any form from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, structured products, UITs, REITs, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships. Initial public offerings (IPOs) are not available through Pinnacle Asset Management Group.

**a. VISION2020 Wealth Management Platform - Advisor Managed Portfolios Program:**

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and/or discussions that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you.

This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, and/or variable annuity sub-accounts (certain restrictions may apply) or other investments. Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

**For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.**

**b. VISION2020 Wealth Management Platform – Model Portfolios Program:**

The Wealth Management Platform - Model Portfolios Program ("Model Program") offers Clients managed asset allocation models ("Asset Allocation Models") of mutual funds or exchange traded funds ("ETFs") diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers ("Program Managers") such as Russell Investment Management Company, ICON Advisers, Inc. and Morningstar Associates, LLC.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain either: 1) a combination of mutual funds, or 2) a combination of exchange traded funds ("ETFs") depending on which Program Manager is used.



Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

**For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.**

**c. VISION2020 Wealth Management Platform - SMA and UMA Program:**

The Wealth Management Platform - SMA and UMA Account Program ("Wealth Managed Account Program" or "WMA") provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMA asset allocation model ("WMA Model") for your approval which will consist of: 1) third party money managers ("WMA Managers") who will manage your WMA account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds ("Funds"), or 3) exchange traded funds ("ETFs") or any combination thereof (individually or collectively, "WMA Investments"). WMA Investments will be managed according to the selected WMA Model. WMA Investments are held within a separately managed account, or a series of separately managed accounts (collectively, "SMA Account"), or in one unified managed account ("UMA Account").

We will suggest a WMA Model to you based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMA account.

**For further WMA details please see the WMA Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMA. Please read it thoroughly before investing.**

**d. Third Party Advisory Services:**

We offer our clients the services of various third-party investment advisors ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

*If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.*

In connection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: 1) our assessment of a particular

Third-Party Advisory Service, 2) your risk tolerance, goals, objectives and restrictions, as well as investment experience and, 3) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Advisory Service and us for our participation in the investment programs. However, when using the services of Third-Party Advisory Services directly, you do not receive our expertise in developing an investment strategy, selecting a Third-Party Advisory Service, monitoring the performance of your account and changing a Third-Party Advisory Service provider when appropriate.

#### **e. Financial Planning:**

We provide a variety of financial planning services regarding the management of your financial resources, based upon an analysis of your needs. Generally, such financial planning services will involve preparing a financial program based on your financial circumstances and objectives. This information typically covers present and anticipated assets and liabilities, including insurance, savings, investments and anticipated retirement or other employee benefits.

Our financial planning typically includes general recommendations for a course of action or specific actions that you should take. For example, recommendations may be made that the client obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or to invest funds in certain securities.

Other financial planning services that we may provide include ongoing financial counseling, account review, securities research and other advisory services related to investments.

Financial planning services to be provided to you will be outlined on the client agreement that you sign with us.

### **D. Tailored Relationships:**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

### **E. Types of Agreements:**

**a. Financial Planning Agreement** - A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$150 per hour. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-on implementation work is billed separately at the rate of \$150 per hour.

**b. Advisory Service Agreement** - Most clients choose to have Pinnacle Asset Management Group manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.00% on the first \$250,000
- 0.75% on the next \$250,000 (from 250,001 to 500,000)
- 0.65% on the next \$250,000 (from \$500,001 to 1,000,000)
- 0.55% on the next \$250,000 (from 1,000,000 to 5,000,000)
- Above \$5,000,001 it is negotiable.

The minimum annual fee is \$1,000. Current client relationships may exist where the fees are higher or lower than the fee schedule above. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

## **F. Hourly Planning Engagements:**

Pinnacle Asset Management Group provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$150.

## **G. Asset Management:**

As of December 31, 2020, Pinnacle Asset Management Group manages approximately \$128 million in assets for approximately 305 accounts. Approximately \$4.7 million is managed through Third Party Money Managers.

## **H. Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Pinnacle Asset Management Group in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Pinnacle Asset Management Group will refund any unearned portion of the advance payment. Pinnacle Asset Management Group may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Pinnacle Asset Management Group will refund any unearned portion of the advance payment.

# **3. Fees and Compensation**

## **A. Description:**

Pinnacle Asset Management Group bases its fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees), subscription fees and commissions.

Financial plans are priced according to the degree of complexity associated with the client's situation.

### **a. VISION2020 Wealth Management Platform - Advisor Managed Portfolios Program:**

We offer Advisor Managed Portfolios as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges.

**Or**

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary fees may apply. Please see the Advisor Managed Portfolios Wrap Fee Program Brochure for further details.

Our Advisor Managed Portfolios account fee schedule is as follows:

1.00 % - on the first \$250,000  
0.75% - on the next \$250,000 (from 250,001 to 500,000)  
0.65% - on the next \$250,000 (from \$500,001 to 1,000,000)  
0.55% - on the next \$250,000 (from 1,000,000 to 5,000,000)  
Above \$5,000,001 it is negotiable

**b. VISION2020 Wealth Management Platform – Model Portfolios Program**

We offer the Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary Model Program fees may apply. Please see the Model Program Wrap Fee Program Brochure for further details.

Our Model Program account fee schedule is as follows:

1.00 % - on the first \$250,000  
0.75% - on the next \$250,000 (from 250,001 to 500,000)  
0.65% - on the next \$250,000 (from \$500,001 to 1,000,000)  
0.55% - on the next \$250,000 (from 1,000,000 to 5,000,000)  
Above \$5,000,001 it is negotiable

**c. VISION2020 Wealth Management Platform - SMA and UMA Program**

We offer WMAP as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary WMAP fees may apply. Please see the WMAP Wrap Fee Program Brochure for further details.

Our WMAP account fee schedule is as follows:

1.00 % - on the first \$250,000  
0.75% - on the next \$250,000 (from 250,001 to 500,000)  
0.65% - on the next \$250,000 (from \$500,001 to 1,000,000)  
0.55% - on the next \$250,000 (from 1,000,000 to 5,000,000)  
Above \$5,000,001 it is negotiable

#### **d. Third Party Advisory Services**

Compensation in connection with Third Party Advisory Services generally consists of five elements: 1) management fees paid to Third Party Advisory Services; 2) management fees paid to us as outlined below; 3) transaction costs – if applicable – which may be paid to purchase and sell such securities; 4) custody fees.

For more complete fee details, please see the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

Our Third Party Advisory fee schedule is as follows:

1.00 % - on the first \$250,000  
0.75% - on the next \$250,000 (from 250,001 to 500,000)  
0.65% - on the next \$250,000 (from \$500,001 to 1,000,000)  
0.55% - on the next \$250,000 (from 1,000,000 to 5,000,000)  
Above \$5,000,001 it is negotiable

### **B. Fee Billing:**

Investment management fees are billed quarterly, in *ADVANCE*, meaning that we invoice you *BEFORE* the three-month billing period has *BEGUN*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

#### **a. Financial Planning**

Fees for financial plans are billed upon delivery of the financial plan and paid by client check. When you receive financial planning services you may also purchase securities or insurance products offered through SagePoint pursuant to the plan or consultation. Members of our Firm may receive commissions as Registered Representatives of SagePoint or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our Firm receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

#### **b. Additional Fees and Expenses:**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually.

These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

**c. Non-Wrap Accounts:**

In addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to SagePoint and our custodian.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

**d. Wrap Accounts:**

You will be charged an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 per trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to SagePoint and our custodian.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of SagePoint and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

## **C. Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Pinnacle Asset Management Group.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

## **D. Past Due Accounts and Termination of Agreement**

Pinnacle Asset Management Group reserves the right to stop work on any account that is more than 30 days overdue. In addition, Pinnacle Asset Management Group reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Pinnacle Asset Management Group's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## **4. Performance-Based Fees**

### **A. Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Pinnacle Asset Management Group does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **5. Types of Clients**

### **A. Description:**

Pinnacle Asset Management Group generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service.

### **B. Account Minimums:**

The minimum account size is \$6,000 of assets under management.

Third Party Advisory Services account minimums are disclosed in each respective manager's Form ADV and associated paperwork.

The account minimum for WMP is generally \$6,000. Each Third Party Advisory Service that we offer has its own account minimum. Their account minimums are disclosed to you through their own form ADV and associated paperwork that will be presented to you.



## **6. Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods of Analysis:**

Security analysis methods may include fundamental analysis and technical analysis.

When analyzing investments, we use both Fundamental and Technical Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

Our normal investment strategies are Mutual Funds and ETF's.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Pinnacle Asset Management Group may use include Morningstar Advisor Workstation and the World Wide Web.

### **B. Investment Strategies:**

Subject to suitability requirements, we generally advise the long-term purchase of mutual funds to our clients. Long-term purchases are typically defined as the purchase of securities held for at least a year.

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that when appropriate we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

## **C. Risk of Loss:**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind.

**Investing in securities involves risk of loss that investors should be prepared to bear.**

Investors may face the following investment risks:

### **a. Interest-rate Risk:**

Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

### **b. Market Risk:**

The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

### **c. Inflation Risk:**

When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

### **d. Currency Risk:**

Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

### **e. Reinvestment Risk:**

This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

### **f. Business Risk:**

These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

### **g. Liquidity Risk:**

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

#### **h. Financial Risk:**

Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

## **7. Disciplinary Information**

### **A. Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **8. Other Financial Industry Activities and Affiliations**

### **A. Affiliations**

Pinnacle Asset Management Group has arrangements that are material to its advisory or its clients with a related person who is a broker-dealer,(SagePoint Financial), investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with SagePoint Financial, Inc. ("SagePoint") as Registered Representatives. SagePoint is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interest and your best interest.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict present.

Please be aware you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service we offer.

## **9. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest.

The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

The duty at all times to place your interest first;

The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility.

The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and

The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. To mitigate this conflict, our firm policy prohibits us from receiving a better price on our order, if you and we invest in the same security on the same side of the market on the same day.

## **10. Brokerage Practices**

Our Advisory Representatives are also Registered Representatives of SagePoint, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, SagePoint requires all investment advisory activities we conduct be processed through SagePoint’s clearing relationship with Pershing LLC (“Pershing”). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing’s blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

In connection with the provision of Third Party Advisory Services, our choice of custodian will be limited to those choices offered by the Third Party Advisory Service.

## **A. Selecting Brokerage Firms**

Pinnacle Asset Management Group does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Pinnacle Asset Management Group recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Pinnacle Asset Management Group recommends discount brokerage firms and trust companies (qualified custodians), such as Independent Trust Company of America. Pinnacle Asset Management Group is an advisor with SagePoint Financial.

Pinnacle Asset Management Group *DOES NOT* receive fees or commissions from any of these arrangements.

## **B. Best Execution**

Pinnacle Asset Management Group reviews the execution of trades at each custodian each quarter. The review is documented in the Pinnacle Asset Management Group *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. Pinnacle Asset Management Group does not receive any portion of the trading fees.

## **C. Order Aggregation**

The aggregation and allocation practices of mutual funds and third-party managers that we recommend are disclosed in the respective mutual fund prospectuses and third-party manager disclosure documents which will be provided to you.

# **11. Review of Accounts**

## **A. Periodic Reviews**

Account reviews are performed, as a minimum annually by a Certified Financial Planner. Account reviews are performed more frequently based on client desires or when market conditions dictate.

## **B. Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

## C. Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, tax return (if the client requests tax preparation services), and a summary of objectives and progress towards meeting those objectives.

## 12. Client Referrals and Other Compensation

As discussed previously, all our Advisory Representatives are Registered Representatives of SagePoint. This arrangement requires us to offer you advisory services and programs sponsored by SagePoint. SagePoint sets limits on how much we can charge you, for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not a suitable to your needs as other advisory programs at SagePoint sponsors which may be more expensive for us to use.

In addition, SagePoint offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales and production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Certain Third Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Services platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, SagePoint will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges SagePoint charges us. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where SagePoint reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to us even if such trading strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by SagePoint. In these programs, transaction charges for purchasing securities that participate in these

programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

## **A. Incoming Referrals**

Pinnacle Asset Management Group has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

## **B. Referrals Out**

Pinnacle Asset Management Group does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

# **13. Custody**

**We do not maintain custody of your assets. Your account assets are maintained at Pershing LLC.**

## **A. Account Statements**

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

## **B. Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Pinnacle Asset Management Group.

## **C. Net Worth Statements**

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **14. Investment Discretion**

### **A. Discretionary Authority for Trading**

This is not applicable as Pinnacle Asset Management Group does not have discretionary authority to manage securities accounts on behalf of clients.

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

## **15. Voting Client Securities**

### **A. Proxy Votes**

Pinnacle Asset Management Group does not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

## **16. Financial Information**

### **A. Financial Condition**

Pinnacle Asset Management Group does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Pinnacle Asset Management Group does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.



## **17. Business Continuity Plan**

### **A. General**

Pinnacle Asset Management Group has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### **B. Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **C. Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **D. Loss of Key Personnel**

Pinnacle Asset Management Group has made provisions with another financial advisory firm to support Pinnacle Asset Management Group in the event of Diana DeCharles' serious disability or death.

## **18. Information Security Program**

### **A. Information Security**

Pinnacle Asset Management Group maintains an information security program to reduce the risk that your personal and confidential information may be breached.

### **B. Privacy Notice**

Pinnacle Asset Management Group is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

**Pinnacle Asset Management Group, Inc**  
**Brochure Supplement**  
(Part 2B of Form ADV)

**Pinnacle Asset Management Group, Inc**  
**2020 Line Avenue Shreveport, LA 71104**  
**Phone 318-221-7526**  
**Fax 318-221-7527**  
**[www.planwithpamg.com](http://www.planwithpamg.com)**

This brochure provides information about the qualifications and business practices of Pinnacle Asset Management Group. If you have any questions about the contents of this brochure, please contact us at: 318-221-7526, or by email at: [ddecharles@sagepointadvisor.com](mailto:ddecharles@sagepointadvisor.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 Pinnacle Asset Management Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 2021

# **1. Brochure Supplement**

(Part 2B of Form ADV)

## **A. Education and Business Standards**

Pinnacle Asset Management Group requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, a CMFC®, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

## **B. Professional Certifications**

Pinnacle Asset Management Group employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark.

CFP certification requirements:

Bachelor's degree from an accredited college or university.

Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).

Successful completion of the 10-hour CFP® Certification Exam.

Three-year qualifying full-time work experience.

Successfully pass the Candidate Fitness Standards and background check.

## **C. Diana DeCharles, CFP®**

Year of birth: 1956

Educational Background:

College for Financial Planning, Denver, CO – Certified Financial Planner Practitioner, 1989

Louisiana State University, Shreveport, LA – B.S., 1980

Centenary College, Shreveport, LA - MBA, 1988

Business Experience:

Pinnacle Asset Management Group, IAR From 1996 – To Present

DeCharles Rhodes and Associates, IAR From 1988-1996

Disciplinary Information: No disciplinary actions

Other Business Activities: DeCharles Family LLC, rental property less than 5 hours per month.

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

## **D. Patrick Cord, CFP®**

Year of birth: 1952

### **Educational Background:**

College for Financial Planning, Denver, CO – Certified Financial Planner Practitioner, 1990  
Texas Tech University, Lubbock, TX – B.A., 1975

### **Business Experience:**

Pinnacle Asset Management Group, IAR From 2013 – To Present  
Pinnacle Asset Management Group, IAR From 1996 – 2002  
(Break between 2002 and 2013 due to Military Service)

Disciplinary Information: No disciplinary actions

Other Business Activities: North Star Wealth Strategies, private financial planning practice, less than 20 hours per week.

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

## **E. Karen Lemmons-Silva, CFP®**

Year of birth: 1965

### **Education Experience:**

College of Financial Planning, Denver, CO – Certified Financial Planner Practitioner, 2005  
Louisiana State University, Baton Rouge, LA – B.S., 1987  
Centenary College, Shreveport, LA – 2007

### **Business Experience:**

Pinnacle Asset Management Group, IAR from August 2018 – To Present  
Morgan Stanley, VP, Branch Manager, Nov 2006 – June 2018  
Merrill Lynch, Dec 1994 – Oct 2006

Disciplinary Information: No disciplinary actions

Other Business Activities: None

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

## **F. Christina DeCharles**

Year of birth: 1982

Educational Background:

Centenary College, Shreveport, LA – B.S., 2003

Business Experience:

Pinnacle Asset Management Group, IAR From 1998 – To Present

Disciplinary Information: No disciplinary actions

Other Business Activities: None

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None