

Form ADV Part 2A

Firm Brochure

PECAUT & CO.

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March 10, 2021

**This brochure provides information about the qualifications and business practices of PECAUT & CO. If you have any questions about the contents of this brochure, please contact us at (712)252-3268. 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.**

**Additional information about Pecaut and Company is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Pecaut and Company is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.**

## ITEM 2

### Material Changes

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This section discusses only material changes since the last annual update which occurred on November 25, 2020.

One material change has occurred since the last annual update on November 25, 2020:

- Item 10 – Other Industry Activities and Affiliations section was updated to reflect a material conflict of interest.

Consistent with SEC “Amendments to Form ADV” in July 2010, we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’s fiscal year. Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

The Brochure for Pecaut and Company is available by contacting 712-252-3268. A copy of our current Brochure may also be found via the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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ITEM 4  
Advisory Business

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**A. General Description of Advisory Firm**

Pecaut and Company is a federally registered investment advisor. We manage the investment and reinvestment of our clients' assets. Asset portfolios are composed primarily of stocks, bonds, and mutual funds. We seek to compound our clients' wealth by carefully analyzing, selecting, and holding shares in quality businesses and well managed funds.

Pecaut and Company has been providing investment services since its founding in 1960 by Russell Pecaut and his sons. Originally a broker dealer, Pecaut and Company added investment advisory services in 1995, and now operates exclusively as an investment advisor. The principal owners of Pecaut and Company are Daniel Pecaut (Chairman and Chief Investment Officer), Corey Wrenn (Chief Executive Officer and President), and John Pecaut (Vice President, Chief Operating Officer and Chief Compliance Officer).

**B. Description of Advisory Services**

*Services Offered*

Pecaut and Company seeks to grow and preserve our clients' capital by offering investment advisory services. Pecaut and Company manages investments for clients and provides continuous supervision of client portfolios. Client accounts are tailored to meet our clients' investment needs and objectives.

We generally find a portfolio of stocks and/or mutual funds suitable for most clients. However, Pecaut and Company may recommend any of the following types of investments:

- Stocks
- Mutual Funds
- Bonds
- Warrants
- Exchange Traded Funds
- Money Market Funds
- Cash
- Time deposits

Client portfolios are composed of these types of investments and are constructed using a value oriented approach. See Item 8 for more information on our investment strategy.

While we seek to manage portfolios with similar risk objectives in the same way, holdings in each such account may be different due to timing of client deposits, cash availability, liquidity of securities traded for client accounts, security prices, certain limited investment restrictions, and tax matters, among other things.

Pecaut and Company also offers investment consulting services, which consists of investment advice without continuous supervision or management.

### C. Availability of Customized Services for Individual Clients

Clients may impose reasonable restrictions on investing in certain securities or security types.

### D. Wrap Fee Program

Pecaut and Company does not have a wrap fee program.

### E. Assets Under Management

As of August 31, 2020, Pecaut and Company had assets under management in the amounts below:

|   |               |
|---|---------------|
| Assets managed on a discretionary basis     | \$210,106,039 |
| Assets managed on a non-discretionary basis | \$19,866,152  |

## ITEM 5 Fees and Compensation

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### A. Advisory Fees and Compensation

As compensation for advisory services rendered, Pecaut and Company charges a fee based on the net asset or market value of each client account at the end of the quarter. Clients are then billed after the end of the quarter. When totaling assets under management for a period, significant inflows/outflows are considered and the fee adjusted accordingly.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro-rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. Immediate family of Pecaut and Company employees generally receive reduced rates. Our standard fee schedule is:

#### *Fee Schedule*

| Client Assets Under Management | Quarterly Fee Rate |
|--------------------------------|--------------------|
| First \$500,000                | 0.375%             |
| Next \$1,500,000               | 0.25%              |
| Over \$2,000,000               | 0.1875%            |

### B. Payment of Fees

Management fees are collected in arrears immediately after the end of each quarter. Most clients arrange for Pecaut and Company to deduct fees directly from their accounts. Clients may instead elect to be invoiced. Quarterly, we send clients a statement showing the calculation of the advisory fee.

See Item 15 for more information on deducting fees from client accounts.

### **C. Additional Fees and Expenses**

In addition to the management fee paid to Pecaut and Company, clients are responsible for fees and expenses charged by custodians and broker-dealers, including trading commissions, other transaction charges, and custodial and account maintenance fees. See Item 12 for additional information regarding Pecaut and Company's brokerage practices.

Pecaut and Company may recommend investments in mutual funds and exchange traded funds. These types of investments often charge their own fees for management of the fund and to cover fund expenses. Each fund publishes a Prospectus which includes a detailed fee schedule. Clients are responsible for fund fees in addition to the management fee paid to Pecaut and Company.

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

Under no circumstances do we require or solicit payment of fees in advance of services rendered.

### **E. Additional Compensation and Conflicts of Interest**

Some providers of investment products offer compensation to advisers for each sale. Such practices can create a conflict of interest for investment advisers.

Pecaut and Company does not receive any transaction based compensation for the sale of any product. Pecaut and Company does not receive asset-based sales charges or service fees from the sale of the mutual funds or pooled investment funds. Where an account is invested in a mutual fund or other pooled investment vehicle, Pecaut and Company does not receive dual level advisory fees.

## **ITEM 6**

### **Performance-Based Fees and Side by Side Management**

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Side-by-side management refers to the practice of managing accounts that are charged performance based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation in client accounts. Our fees are calculated as described in Item 4, and are not charged on the basis of a share of capital gains or capital appreciation of funds in client advisory accounts.

Pecaut and Company does not accept performance-based fees or participate in side-by-side management.

## **ITEM 7**

### **Types of Clients**

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We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size.

## ITEM 8

### Method of Analysis, Investment Strategies, and Risk of Loss

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

##### *Method and Strategy*

Pecaut and Company specializes in a long-term value-oriented investment philosophy. We recognize that the market value of a company is not always reflective of the company's intrinsic value. We seek to purchase shares of companies at prices significantly below intrinsic value. Over time, as the intrinsic value of the company is demonstrated or grows, we expect the market price to more accurately reflect the intrinsic value, resulting in appreciation of invested funds.

Our strategy involves fundamental analysis of companies, including examination of company balance sheets, income statements, and other financial reports. The position of the company relative to its competitors as well as its relationship to the broader economy is also considered. Special consideration is given to features we call "moats." Moats are strategic competitive advantages that are hard for other companies to duplicate. Both ownership and management of the company are also important, particularly in terms of alignment with shareholder interests. All of these factors are evaluated with a mindset of investing in the company for the long-term.

As part of our strategy to uncover investment opportunities, Pecaut and Company continually conducts research. We regularly monitor public filings, attend corporate conference calls, review business publications and subscriptions, and attend annual corporate meetings. In addition, over the years we have developed a network of business and investment contacts which provides us valuable insight to the investment world.

##### *Risk*

Clients should understand that investments in securities (both income and equity securities) and other assets involve a risk of loss. Past performance of any investment strategy is not a guarantee of future results. Clients should be prepared to bear the risk of investment losses. See Item 8.B and Item 8.C for additional information regarding investment risks.

#### **B. Material, Significant, or Unusual Risks Relating to Investment Strategies**

The value approach to investing offers considerable risks. Risks inherent to our strategy include:

- Risk that our estimates may be inaccurate. Over the years, we have lost money in several of our investments because we have made mistakes in our valuations. While we have faith in our abilities, we do err from time to time.
- Management risk. Often our valuation of intrinsic value takes into consideration the ability of the management to use earnings generated by the company wisely. We do not control the management of companies with which we invest, and sometimes managers will make poor decisions that waste company capital and negatively affect the valuation of the company.



- Macro-economic risk. Our strategy looks at factors specific to the individual company. There are factors bigger than the company, such as the larger economy and the influence of governments. These factors can prove difficult to predict and could affect our investments negatively.
- Information risk. Our judgment depends on getting timely and accurate information. Some information about specific aspects of companies we consider for investment may be difficult to procure. Poor quality information could adversely affect our investments.
- Financial leverage risk. A small decline in asset value of a highly leveraged company will have a major impact on the value of that company's equity. For that reason, we tend to avoid highly leveraged companies. However, certain businesses (such as banks) are highly leveraged by their nature. We have owned a few stocks of banks and other financial companies that have done poorly due to their high leverage.

### **C. Risks Associated with Particular Types of Securities**

Stocks and bonds derive their value from the underlying business (or government) that issues them. A company's ability to make interest payments on their bonds and generate earnings for stock shareholders affects the price of the company's stock and bonds. In extreme cases, companies occasionally suffer events that cause them to completely lose their ability to make interest payments and generate earnings, resulting in bankruptcy. Investors in the stocks or bonds of a company that undergoes bankruptcy could lose 100% of their investment. An investor in stocks and bonds must be aware that all his investment capital is potentially at risk.

The value of most warrants, mutual funds, and exchange traded funds depend largely on the value of stocks and bonds, and thus share in those same risks as mentioned in this section.

### **ITEM 9 Disciplinary Information**

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Pecaut and Company is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

### **ITEM 10 Other Financial Industry Activities and Affiliations**

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An advisor representative of Pecaut & Co. serves on a non-profit organization board of directors. This non-profit organization is also an advisory client which creates a conflict of interest that warrants disclosure to current and prospective clients. In order to mitigate this conflict, the advisor representative is not compensated for his role on the board and does not give direct advice to the client outside of the parameters of their management agreement. The advisor representative also recuses himself when the board evaluates its business relationship with Pecaut & Co. In addition, Pecaut & Co. has adopted policies and procedures to ensure that it upholds its fiduciary duty to act in the best of interests of all of its clients.

Pecaut and Company and its officers and directors have no other industry activities or affiliations to report.

ITEM 11  
Code of Ethics, Participation, or Interest in Client Transactions, Personal Trading, and  
Other Conflicts of Interest

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**A. Code of Ethics**

Our Code of Ethics expresses our pledge to always act in an honorable manner while carrying out our commitment to our clients. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at 712-252-3268. A brief description of our Code of Ethics follows:

We expect all employees to act with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospects, their employer, and their fellow employees.

We expect all employees to adhere to the highest standards with respect to any potential conflicts of interest with client accounts – simply stated, no officer or employee should ever enjoy an actual or apparent benefit over the account of any client.

We expect all persons associated with Pecaut and Company to preserve the confidentiality of information that they may obtain in the course of our business and to use such information properly and not in any way adverse to our clients' interests, subject to the legality of such information.

We expect our officers and employees to conduct their personal financial affairs in a prudent manner, avoiding any action that could compromise in any way their ability to deal objectively with our clients.

**B. Securities in which the Adviser or a Related Person have a Material Financial Interest**

It is the policy of Pecaut and Company not to recommend to clients securities in which it or a related person has material financial interest. Employees of Pecaut and Company may have an interest or position in certain securities which may be recommended to a client. See Item 11.C for our policy regarding such situations.

**C. Investing in Securities that the Adviser or a Related Person Recommends to Clients**

Employees at Pecaut and Company may buy or sell for their own accounts securities identical to or different from those recommended to clients. In addition, employees or any related person may have an interest or position in certain securities which may also be recommended to a client.

When employee trades and client trades involve the same securities or related securities (e.g. warrants of that security), a conflict of interest can arise. For example, by buying or selling the security immediately before the same trade is processed for the client, an employee could benefit from potential moves in the market created by the client trade. This tactic is known as "front running." Front running unethically disadvantages clients in favor of the advisor. To address such conflicts of interest, Pecaut and Company maintains the following policies and procedures:

It is the expressed policy of Pecaut and Company that no employee may buy or sell any security or related security immediately before or after a transaction with the same security for a client account, thereby preventing employees from benefiting from transactions placed on behalf of advisory accounts. Trades for employee accounts are not aggregated with trades for client accounts.

Employee trades for IPO's, limited offerings, and private placements must be approved by the CCO or President.

#### **D. Conflicts of Interest Created by Contemporaneous Trading**

See Item 11.C.

### **ITEM 12 Brokerage Practices**

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#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

Our primary objective in broker-dealer selection is to execute orders for its clients in accordance with its duty of best execution. In selecting a broker-dealer, we consider several factors including, but not limited to:

- Execution capabilities
- Commissions charged
- Online interface capabilities to communicate trade orders and service client accounts
- Trade aggregation capabilities
- Access to mutual funds
- Investments record keeping and custody services
- Quality of research services provided
- Financial condition
- Business reputation

Pecaut and Company is responsible for determining that the level of commission paid for each trade is reasonable, considering the executions received. Commissions on brokerage transactions are subject to negotiation. Negotiated commissions consider the difficulty involved in execution, the extent of the broker's commitment, if any, of its own capital and the amount of capital involved in a transaction.

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

###### *Soft Dollar Benefits*

Soft dollar benefits are products or services offered by broker-dealers to advisers in exchange for credits derived from trade commissions and other charges paid by client accounts.

Pecaut and Company does not participate in soft dollar arrangements with broker-dealers.

###### *Research and Services*

As part of our business relationship with brokerage firms, Pecaut and Company receives access to various services which may include:

- Proprietary research and other information services
- Trading
- Record keeping for client accounts and profiles
- Facilitate payment of management fees from client accounts
- Assistance with back office functions, including record keeping and reporting discounts or full/partial payment of third party services utilized by Pecaut and Company

- Compliance, legal, and business consulting publications and conferences
- Educational events and training
- Relationships with employee benefits and insurance providers

These services generally are available at no charge so long as a minimum dollar amount of assets held by clients of Pecaut and Company are kept in custody at the broker-dealer. These services are not contingent upon committing any specific amount of business to the broker-dealer.

Pecaut and Company may have an incentive to direct brokerage to a broker-dealer to obtain research, products, or other services rather than to obtain the most favorable execution for the client. Pecaut and Company reviews the full range and quality of broker services, including execution, commission rates, financial responsibility, quality of service, and value of research. Generally, the services and research obtained from broker-dealers are used for the benefit of all our clients.

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

Pecaut and Company does not select broker-dealers to receive client referrals. The factors used in selecting broker-dealers to execute trades are described in Item 12.A.

## **3. Directed Brokerage**

Pecaut and Company is not a broker-dealer and does not execute trades directly. In order for Pecaut and Company to manage client assets, clients must maintain a brokerage account at an independent broker-dealer.

Pecaut and Company directs that clients establish brokerage accounts with Charles Schwab or TD Ameritrade. Schwab and TD Ameritrade are FINRA registered broker-dealers and members of SIPC. For clients with accounts at Schwab and TD Ameritrade, the broker-dealer maintains client assets and executes trades for their accounts. Pecaut and Company has negotiated commission rates for its clients with accounts at Schwab and TD Ameritrade.

Alternatively, clients may establish an account with a broker-dealer of their choosing and negotiate their own commission rates. Clients must notify Pecaut and Company in writing to direct brokerage elsewhere.

Clients should be aware that if they establish an account with a broker-dealer of their choosing, they may pay brokerage commissions and other brokerage charges that are higher or lower than the rates Pecaut and Company has negotiated with the brokerages it recommends.

In addition, because the vast majority of our clients hold accounts at Schwab and TD Ameritrade, clients with accounts at other brokerages will not participate in trade aggregation and may not receive the most favorable trade execution. See Item 12.B for more information.

## **B. Order Aggregation**

Pecaut and Company aggregates trade orders for client accounts where possible and when advantageous to clients. Trade aggregation is a trading technique that uses one block trade in place of numerous individual trades across multiple accounts. The block trade is then divided up (allocated) among the individual client accounts, and the price paid by each account reflects the average price at

which the block trade was executed. Trade aggregation allows us to execute trades in a timelier, more equitable manner.

Factors considered when deciding to aggregate trades include:

- Client current position in the investment
- Client cash position
- Total trade size
- Market price
- Liquidity
- Access to trading venues
- Transaction costs
- Logistical considerations

Occasionally an aggregated trade will only be partially filled. The executed portion of the trade must be allocated by the close of each business day. In such cases, we may adjust the original allocation to distribute the securities as fairly as possible and avoid odd amounts of shares in client accounts. In some cases, clients with smaller accounts may not receive any allocation in order to avoid excessive commissions or other charges.

Pecaut and Company employee trades are not aggregated with client trades.

#### *Rotational Trade Policy*

When placing block trades, Pecaut and Company uses a rotational trade policy in which the order of block trades is alternated daily based on an even and odd date schedule between our main custodian broker-dealers (Schwab and TD Ameritrade). Because the vast majority of our clients hold accounts at Schwab and TD Ameritrade, clients with accounts at other broker-dealers may not be serviced until orders are filled at our main broker-dealers, which may result in unfavorable execution.

### **C. Trade Errors**

In the event a trading error occurs in a client account, our policy is to restore the account to the position it would have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and neither the client nor Pecaut and Company will keep the profit.

ITEM 13  
Review of Accounts

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**A. Frequency and Nature of Review of Client Accounts or Financial Plans**

Pecaut and Company reviews all client accounts at least quarterly in preparation of our quarterly reports to clients. Reviews are performed by the portfolio manager for the account.

Reviews are comprehensive in nature and include factors such as performance, portfolio composition, and risk. Reviews also consider client-specific circumstances such as start date, risk tolerance, investment goals, cost basis, legacy stock positions, tax situation, and cash needs.

Furthermore, routine reviews to check for unusual activity and accuracy of performance and management fee calculations are also conducted by compliance staff throughout the year on a sampling basis.

**B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

In addition to routine reviews, client accounts are typically reviewed many times during the year on an irregular basis. Some factors that may trigger such reviews include: industry events, market developments, statutory and regulatory changes, deposits or withdrawals, consideration of an investment opportunity, and communication with clients.

**C. Content and Frequency of Account Reports to Clients**

Pecaut and Company provides regular written reports to clients on a quarterly basis. The quarterly report contains the following information:

- Letter to clients including a brief market commentary
- Statement of unrealized gains and losses, showing the difference between current market value and original cost (or cost basis) of investments
- Statement of performance for the account over time
- Statement of cash flow, including contributions, withdrawals, dividend payments, and management fees
- Invoice for management fees

In addition, Pecaut and Company typically meets with each client at least annually to review investment strategy, performance, and administrative matters. Furthermore, our staff is available to clients during normal business hours for consultation regarding the client's situation or investment needs.

ITEM 14  
Client Referrals and Other Compensation

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**A. Economic Benefits for Providing Services to Clients**

In connection with providing investment advisory services to its clients, Pecaut and Company does not receive sales awards, prizes or other economic benefits from someone who is not a client.

**B. Compensation to Non-Supervised Persons for Client Referrals**

Pecaut and Company does not compensate affiliated or non-affiliated persons for client referrals.

ITEM 15  
Custody

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Pecaut and Company is not a broker-dealer and does not have physical custody of client assets. Client assets are kept at qualified custodians. Pecaut and Company has limited power of attorney to place trades on the client's behalf, and in most cases to deduct management fees directly from the client's brokerage account. This ability to deduct fees directly from client accounts confers to Pecaut and Company limited custody over client funds.

Pecaut and Company is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA, authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth rules intended to protect client assets in such situations, which we follow.

As a matter of policy and practice, Pecaut and Company does not permit employees or the firm to accept or maintain custody of client assets other than as identified above.

Clients will receive account statements at least quarterly directly from their broker-dealer, bank or other qualified custodian. Clients should carefully review these statements.

Clients will also receive quarterly reports from Pecaut and Company. Clients are urged to compare these reports with the statements received from their qualified custodian to ensure all account transactions, fees, holdings, and values are correct and current. If there is a significant difference in the information provided, or there is reason to believe there is an error in one statement, clients should contact Pecaut and Company immediately.

ITEM 16  
Investment Discretion

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Investment discretion refers to the authority to trade on a client's behalf without contacting the client prior to each trade. Discretion includes the authority to determine which securities to purchase or sell, the amount of those securities, and the timing of the trade.

Pecaut and Company primarily provides discretionary investment advisory services. Clients authorize

us to use discretion over their account through a written agreement.

Pecaut and Company will accept restrictions from clients on the purchase of a reasonable number of stocks when the client gives us instructions regarding such a restriction.

## ITEM 17 Voting Client Securities

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### **A. Policies and Procedures Relating to Voting Client Securities**

Pecaut and Company does not vote proxies on behalf of clients.

#### *Corporate Actions*

There may be a variety of corporate actions or other matters for which shareholder action is required or solicited.

Pecaut and Company will act on behalf of our clients in the matters of mergers, tender offers, and corporate reorganizations.

Pecaut and Company will not act on behalf of our clients in the matters of class action lawsuits or bankruptcy proceedings.

### **B. No Authority to Vote Client Securities and Client Receipt of Proxies**

Pecaut and Company does not have authority to vote client securities.

Clients will receive proxies or other solicitations from their custodian or a transfer agent.

Pecaut and Company does not provide advice to clients regarding how they should vote, except in rare cases where such decisions may overtly affect the investment prospects.

## ITEM 18 Financial Information

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### **A. Balance Sheet**

Pursuant to SEC instructions, Pecaut and Company is not required to include its balance sheet as part of this brochure.

### **B. Financial Conditions**

Pecaut and Company is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### **C. Bankruptcy Filings**

Pecaut and Company has never been the subject of a bankruptcy petition.



Appendix A  
Separate Account Fee Schedules

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*Fee Schedule*

| <b>Client Assets Under Management</b> | <b>Quarterly Fee Rate</b> |
|---------------------------------------|---------------------------|
| First \$500,000                       | 0.375%                    |
| Next \$1,500,000                      | 0.25%                     |
| Over \$2,000,000                      | 0.1875%                   |

Appendix B  
Privacy Information

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The Privacy Policy for Pecaut and Company is attached following the section on Supplemental Information.

Supplemental Information

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*Advisers*

**Daniel Pecaut**

*Educational Background and Business Experience*

Daniel Pecaut is the Chairman and Chief Investment Officer of Pecaut and Company. Dan was the President and CEO of Pecaut and Company from 1992 to 2018. Born in 1957, he graduated with honors from Harvard University in 1979 and began work at Pecaut and Company in 1979. Dan has been authoring the Pecaut and Company Newsletter since 1982.

*Disciplinary Information*

There are no material legal or disciplinary actions against Dan.

*Other Business Activities*

In addition to his duties at Pecaut and Company, Dan is also involved in his community. Dan is chairman emeritus of the board of Goodwill of the Great Plains, a non-profit organization devoted to providing job opportunities for people with barriers to employment.

*Additional Compensation*

Dan does not receive any compensation from non-clients for providing advisory services.

*Supervision*

Regulations require every adviser to be supervised. The Vice President, Chief Operating Officer and CCO, John Pecaut, supervises Dan Pecaut. John can be reached at 712-252-3268.

## **Corey Wrenn**

### *Educational Background and Business Experience*

Corey Wrenn is the CEO, President, and Treasurer of Pecaut and Company. He was Vice President from 1992 to 2018, and CCO from 2004 to 2018. Born in 1959, Corey graduated with honors from the University of South Dakota in 1981 with a B.S. in business administration, emphasis in accounting, and received his M.B.A (Masters in Business Administration) from the University of Nebraska in 1989. After college, Corey sat for and passed the Certified Public Accounting (CPA) exam in one sitting and completed the experience requirement (at that time) by working greater than two years in public accounting to become a CPA. Since he no longer practices, he is classified as an inactive CPA. Corey's valuable experience includes work at Berkshire Hathaway in the audit and accounting areas with a focus in the insurance subsidiaries from 1983 until 1992. Corey joined Pecaut and Company in 1992.

### *Disciplinary Information*

There are no material legal or disciplinary actions against Corey.

### *Other Business Activities*

Corey does not have any other substantial business activities.

### *Additional Compensation*

Corey does not receive any compensation from non-clients for providing advisory services.

### *Supervision*

Regulations require every adviser to be supervised. The CCO and COO, John Pecaut, supervises Corey Wrenn. John Pecaut can be reached at 712-252-3268.

## **John Pecaut**

### *Educational Background and Business Experience*

John Pecaut is Vice President, Chief Operating Officer and CCO of Pecaut and Company. Born in 1983, he graduated summa cum laude with a B.S in psychology from Iowa State University in 2008. From 2007-2009 he operated a franchise for College Pro Painters repainting exterior homes in Des Moines, IA. In 2009, John joined Pecaut and Company, working with an emphasis in compliance. At the end of 2013, John left Pecaut and Company, living and working briefly in Hawaii at an organic farm and a hostel. Moving to Minnesota in 2014, John worked as an independent contractor in home construction. In 2015, he was hired by FASTSIGNS in Eden Prairie as an outside sales representative. In early 2016, John worked as a leasing consultant for Pinnacle, a property management company. In September 2016, John began work for Pecaut and Company again, becoming an advisor in October 2016.

### *Disciplinary Information*

There are no material legal or disciplinary actions against John.

### *Other Business Activities*

John does not have any other substantial business activities.

### *Additional Compensation*

John does not receive any compensation from non-clients for providing advisory services.

### *Supervision*

Regulations require every adviser to be supervised. The CEO and President, Corey Wrenn, supervises John Pecaut. Corey can be reached at 712-252-3268.

# PECAUT & COMPANY (“PECAUT”)

## FACTS

### WHAT DOES PECAUT DO WITH YOUR PERSONAL INFORMATION?

|       |  |
|-------|--|
| Why?  | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.   |
| What? | <p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"><li>• Social security number and assets</li><li>• Income and risk tolerance</li><li>• Account transactions and account balances</li></ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p> |
| How?  | All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Pecaut chooses to share; and whether you can limit this sharing.  |

| Reasons we can share your information   | Does Pecaut share? | Can you limit this sharing? |
|---|--------------------|-----------------------------|
| <b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes                | No                          |
| <b>For our marketing purposes</b> – to offer our products and services to you   | No                 | We do not share             |
| <b>For joint marketing with other financial companies</b>   | No                 | We do not share             |
| <b>For our affiliates’ everyday business purposes</b> – information about your transactions and experiences   | No                 | We do not share             |
| <b>For our affiliates’ everyday business purposes</b> – information about your creditworthiness   | No                 | We do not share             |
| <b>For our affiliates to market to you</b>  | No                 | We do not share             |
| <b>For non-affiliates to market to you</b>  | No                 | We do not share             |

|                      |  |
|----------------------|--|
| To limit our Sharing | <p>We do not currently share your information except as necessary to manage your account or as required by law.</p> <p><b>Please note:</b> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer a customer, we continue to share your information as described in this notice.</p> |
|----------------------|--|

|            |   |
|------------|---|
| Questions? | Call (712) 252-3268, or email John Pecaut at <a href="mailto:jpecaut@pecautandcompany.com">jpecaut@pecautandcompany.com</a> |
|------------|---|

## PECAUT & COMPANY (“PECAUT”)

| What we do   |   |
|--|---|
| How does Pecaut protect my personal information?   | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.   |
| How does Pecaut collect my personal information?   | <p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Complete an investment advisory agreement or other forms</li> <li>• Open an account or seek advice about your investments</li> <li>• Make a wire transfer or direct us to buy securities.</li> </ul>  |
| Why can't I limit all sharing?   | <p>Federal Law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p> |
| What happens when I limit sharing for a partnership interest I hold jointly with someone else? | Your choices apply to all parties, unless you inform Pecaut otherwise in writing.   |

| Definitions            |   |
|------------------------|---|
| <b>Affiliates</b>      | <p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Pecaut currently has no affiliates.</i></li> </ul>  |
| <b>Non-affiliates</b>  | <p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Pecaut may share personal information with non-affiliated third parties, such as broker dealers, banks and investment advisers for business purposes. Pecaut may also share personal information with parties who provide technical support, legal counsel, and accounting and compliance professionals.</i></li> </ul> |
| <b>Joint marketing</b> | <p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Pecaut does not currently have non-affiliated joint marketing partners.</i></li> </ul>   |