



PROFESSIONAL
FINANCIAL
Purposeful Wealth Management

Professional Financial Strategies, Inc.

SEC File Number: 801-107130

IARD/CRD File Number: 125580

Firm Brochure

Form ADV, Part 2A

Dated March 30, 2021

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This brochure provides information about the qualifications and business practices of Professional Financial Strategies, Inc. (the "Advisor"). If you have any questions about the contents of this brochure, please contact us at (585) 218-9080 or paulhill@professionalfinancial.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. References herein to Advisor as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Additional information about Advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2/Material Changes

MATERIAL CHANGES FOR UPDATE OF SEC REGISTRATION

No material changes have been made to Advisor's Part 2A Brochure since last year's Annual Amendment filing on March 30, 2020.

Advisor's Chief Compliance Officer, Paul Byron Hill, remains available to address any questions regarding this Part 2A, including disclosure additions and enhancements below.

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Item 4/Advisory Business

A. Professional Financial Strategies, Inc. (the “Advisor”) is a corporation formed February 1993 in the state of New York. Advisor was New York State registered as an investment adviser from March 1993 until it re-registered with the SEC in January 2016. Paul Byron Hill is the principal shareholder and founder of Advisor, and serves as CEO, President and Chief Compliance Officer.

B. Advisor offers individuals and families (including their associated business entities, retirement plans, trusts and estates, and charitable remainder and lead trusts) professional wealth management and financial planning services. Services primarily target affluent and aspiring families preparing for retirement or already retired, and legacies for surviving spouses, children, and grandchildren. Client “households” may include other immediate family members as well as the Client’s privately-owned business entities and arrangements where they are trustee.

Financial planning is a collaborative process that helps maximize a Client’s potential for meeting life goals through financial advice that integrates relevant elements of the Client’s personal and financial circumstances. Wealth management is an extension of financial planning that includes financial management intergenerationally for multiple family members, especially the surviving spouse.

Advisor representatives act as personal chief financial officers focused on clients’ personal needs, values and goals and employ a management process conforming to current CFP practice standards. The process puts clients in control of their planning through developing a clear strategy for confidently reaching key financial goals to become and remain financially secure. Advisor collaborates and consults on behalf of Client with a network of specialists in fields ranging from insurance, mortgages, tax, accounting, trusts to law.

“Wealth management” integrates personal *financial planning and advanced planning services* with relevant *investment management services*. Advisor is compensated by fees for investment management and consulting services but in some instances may offer to offset consulting fees for arranging promised-based lifetime income strategies by payments from statutory reserve insurance companies.

WEALTH PLANNING CONSULTING

Wealth consulting services by Advisor broadly includes not only conventional financial planning but also advanced planning for retirement income, asset protection and family legacies. Advanced planning consultations target any of five areas: retirement income planning, tax planning, insurance planning, intergenerational legacy planning, and charitable planning. Planning for a Client relationship (1) understands personal and financial circumstances, (2) identifies and prioritizes goals, (3) analyzes and stress-tests the current situation and then multiple alternatives, (4) develops appropriate recommendations, and (5) ends with presenting recommendations for the Client to select in whole or part. Steps 6 and 7, begin the implementation phase and progress monitoring phase. The five wealth planning consulting phases are covered during the first two years of a new advisory relationship. They may be reiterated under a future consulting agreement at Client request.

Wealth Planning Consulting levels are:

Wealth Planning & Consulting (Premier Level): Advisor provides advanced planning services collaboratively with other professional advisors of Client. Investment policy strategy, portfolio benchmarking, and retirement income modeling reviews together with household profile updates are provided in quarterly segments over the course of a year, together with occasional tax, insurance, legacy and other incidental planning consultations at Client’s request. Meetings are with CFP® professionals. Incidental business consultations included at Advisor’s discretion.

Wealth Planning & Consulting (Preferred Level): Advisor provides advanced planning services collaboratively with other professional advisors of Client. Investment policy strategy, portfolio benchmarking, and retirement income modeling reviews together with household profile updates are provided in semi-annual segments over the course of a year, together with occasional tax, insurance, legacy and other incidental planning consultations at Client’s request. Meetings are with CFP® professionals and paraplanners. Incidental small business consultations available at Advisor’s discretion.

Financial Planning & Consulting (Standard Level): Advisor provides standard planning services and coordinates with other professional advisors of Client. Investment policy strategy, portfolio benchmarking, and retirement income modeling reviews together with household profile updates are provided once annually, together with incidental tax, insurance, legacy and other consultations at Advisor’s discretion. Meetings are with professional paraplanners. Additional consultation is available based on consulting arrangements for additional fee.

Retirement Stress Testing/Second Opinion: (Introductory): Based on information provided by Client, Advisor identifies and helps prioritize primarily retirement lifestyle and legacy goals. Client concerns and uncertainties related to reaching goals and maintaining a financially secure lifestyle are discovered and explained. Client’s current course of action is stress-tested, and then viable alternative planning strategies aligned with Client needs and values are suggested. Risks such as longevity, health, inflation, sequencing of returns, market volatility, legacy are considered. Complete analysis and testing for potential successful planning outcomes for implementation are not included in the preliminary phase. Advisor requires this minimum planning prior to providing Investment Management services for Client.

Limitations of Wealth Planning & Consulting Services.

Advisor will provide financial planning, retirement planning, and/or advanced planning services only to the extent a Client requests after introductory planning and consulting. Neither Advisor nor its investment adviser representatives assist clients beyond simply presenting planning recommendations in the Strategy Commitment Session unless they have mutually agreed to do so in writing. The Advisor **does not** continuously monitor a client’s financial or wealth planning apart from its annual portfolio planning review. It is the Client’s responsibility to request revisiting any financial, retirement or advanced planning matters or concerns with Advisor, whether desired annually or at other intervals, and requesting reviewing renewing any planning consulting agreements.



Incidental planning and occasional services may be included in Advisor's investment management fee and others will be charged separately for a flat fee. Client retains sole discretion for implementing any financial planning related advice and is free to reject any recommendations.

Limitations of Professional Specialist Recommendations.

Advisor may recommend specialists or experts from a select network for non-investment services. Client is not obligated to engage those professionals for services. Client retains absolute discretion over the terms of any proposed engagement and is free to accept or reject any professional's recommendation even if recommended by Advisor. Advisor **does not** serve as an attorney or an accountant, and so no portion of our services should be construed as such. Accordingly, Advisor **does not** provide formal accounting services or prepare legal documents. To the extent a Client requests, a related person of Advisor may be recommended in their individual capacity as a licensed insurance and annuity broker when, and only if, that is deemed to be in the best interest of Client.

See Item 10 disclosure. When Client engages an unaffiliated professional specialist (i.e. attorney, accountant, insurance agent, HECM broker, etc.), and if a dispute arises relative to such engagement, Client agrees to seek recourse exclusively only against from that self-same professional or their firm. At all times, only the professional[s] Client engages, and **not** Advisor, shall be responsible for the quality and competency of the services they provide. Advisor serves only to coordinate and facilitate the relationship.

Client Obligations. In performing planning and consulting services, Advisor shall not be required to verify any information received from Client or from Client's professional advisors, and Advisor and is expressly authorized to rely thereon. Moreover, Client is advised that it always remains their responsibility to promptly notify Advisor if there is ever any change impacting in their financial situation or investment objectives related to reviewing, evaluating, or revising previous recommendations and/or services. Notice or memorandum to Advisor of such changes **must be** provided in writing by mail or email.

INVESTMENT MANAGEMENT SERVICES

Investment management is the core of Advisor's wealth planning services. The Advisor limits discretionary investment advice to certain types of securities. Advisor is independent of any broker-dealer, insurance company, or banking institution. Custodial services are through Charles Schwab & Co. ("Charles Schwab"). Deferred or indexed annuities, insurance, 529 or ERISA plans are normally provided or custodied by TIAA, Transamerica Life, Hartford Life, the Vanguard Group or other firms that do not pay commissions. Additionally, Clients' existing employer retirement accounts such as 401(k)s, 403(b)s, 457 and/or their seasonal or income-producing real estate, as well as arrangement such as reverse mortgages (HECMs) or immediate income annuities are coordinated as part of a complete wealth planning strategy.

Wealth planning consulting services are integrated with Advisor's four investment management levels, as the Client may decide:

- **Investment Management—Supreme & Premier Levels.** Evidence-based portfolio strategies grounded modern financial science and promise-based income sources are structured within Clients' investment policy strategy. Institutional-class mutual funds and/or ETFs are held in custodial accounts, together with any legacy securities. Income/deferred/variable annuities, 529 plans and/or employer retirement and deferred compensation plans are integrated within a structured asset allocation management strategy. Wealth planning consulting services are included for Premier Level Household Clients. Clients paying at least a \$5,000 minimum quarterly fee (per schedules in *Item 5*) will be treated as Premier Level clients. Any combination of four personal/web meetings and four telephonic/email non-service conversations are allowed each year (with carry-over). Wealth planning consulting, at client request, would be included with the Investment management. Staff contact for routine service matters generally has no limitations. Supreme clients receive additional custom services.
- **Investment Management—Preferred Level.** Evidence-based portfolio strategies grounded in modern financial science and promise-based income sources are structured within Clients' investment policy strategy. Institutional-class mutual funds and/or ETFs are held in custodial accounts, together with any legacy securities. Income/deferred/variable annuities, 529 plans and/or employer retirement and deferred compensation plans are integrated within a structured asset allocation management strategy. Clients paying at least a \$2,500 minimum quarterly fee (per schedules in *Item 5*) will be treated as Preferred Level clients. Any combination of two personal/web meetings and two telephonic/email non-service conversations are allowed each year (with carry-over). Incidental wealth planning consulting, at client request, would be included with the Investment management. Staff contact for routine service matters generally has no limitations. Non-incidental planning/consulting has a \$2,500 minimum and final fee will depends on extent and frequency of services requested by Client.
- **Investment Management—Standard Level.** Evidence-based portfolio strategies grounded modern financial science and promise-based income sources are structured within Clients' investment policy strategy. Institutional-class mutual funds and/or ETFs are held in custodial accounts, together with any legacy securities. Income/deferred/variable annuities, 529 plans and/or employer retirement and deferred compensation plans are integrated within a structured asset allocation management strategy. Clients paying at least a \$1,250 minimum quarterly fee (per schedules in *Item 5*) will be treated as Standard Level clients. Any combination of one personal/web meetings and one telephonic/email non-service conversations are allowed each year (with carry-over). Incidental wealth planning consulting, even at client request, is not included with Investment Management. Staff contact for routine service matters has certain limitations. Wealth planning and consulting would have a \$5,000 minimum if no such service has been completed within the last two calendar years. This arrangement is intended primarily to accommodate pre-2010 era legacy Clients. Family members of Premier or Preferred Client not

paying at least standard level minimum are not entitled to wealth planning services, or services will offset services that Premier or Preferred client would receive.

- **Independent Investment Managers.** Advisor may recommend certain Client assets be apportioned among unaffiliated “separately managed accounts”, including Dimensional Fund Advisors. (See Item 8. C.) For such assets, the Independent Investment Manager(s) shall have day-to-day responsibility for discretionary portfolio management based on Client guidelines and restrictions. Advisor shall render investment advisory services relative to ongoing monitoring and review of account performance, factor consistency and integration within the broader portfolio strategy. Advisor considerations for recommendation of any Independent Investment Manager(s) will be driven by Client’s tax situation and tax diversification for the account, written objective(s), methodology of the manager, tax-efficiency, quality of research, reporting, performance, pricing and manager reputation. Independent Investment Manager(s) when engaged will charge an investment advisory fee separate from that of Advisor. Advisor’s full standard fee schedule will be adjusted to offset 50% of such fee(s).

C. Investment advisory services for wealth management are personalized. Investment management strategy and portfolio structure is based on Clients’ individual needs, values, goals, preferences, and particular circumstances. For most clients of Advisor, services are related to retirement, legacy, and advanced planning. Investment advisory services are closely integrated with Advisor’s broad wealth management process. After completing the initial five phases of wealth planning per the financial consulting agreement, Advisor invests Client assets based on their approve investment policy statement, and continuously monitors client accounts. At least annually, and more often for Premier clients, Advisor offers individual wealth progress session reviewing investment management, income tax planning as it impacts portfolio arrangements, as well as incidental advanced planning matters. Expect for the annual portfolio planning session, all sessions are at Client’s discretion. These meetings reconfirm the investment policy and portfolio structure approved by the Client (including any restrictions) and explain any material changes other than periodic rebalancing made since the last annual portfolio planning session. Portfolios of particular custodial account as coordinated within an overall asset allocation structure, carefully considering the tax impact of making any fund changes and taking into account the after-tax value of assets positioned in IRAs and qualified company accounts.

Clients may, at any time impose restrictions or limitations, in writing, either regarding investing in certain securities or restricting sales of certain securities. (ERISA plans are subject to regulatory restrictions.) Such restrictions, however, must be consistent with prudent and fiduciary investment policy strategy corresponding to CFP Board professional standards. Restrictions imposed that are unacceptable to Advisor may result in termination of the advisory relationship.

Retirement wealth management process: The process involves structuring financially secure strategies, investing money, mitigating taxes, protecting assets in various ways and preserving a legacy for spouse, family and communities Clients care deeply about. Clients envision their ideal financial future at an early meeting. Subsequently Advisor helps clients express those general goals and prioritize as specific objectives. Their current arrangements based on their idealized vision are stress-tested. Alternative solutions based on possible planning approaches aligned with their values, preferences and circumstances are collaboratively developed, if necessary; lastly, Client must decide an approach that best fits them, knowing that periodic modification will be needed to keep their planning on course.

At that point, investment implementation begins, followed by periodic wealth progress phases of planning, coordinating with specialists, and implementing multiple advanced recommendations. Progress in both investment management and advanced planning is monitored. Updating planning goals, objectives and recommendations occurs annually at one of the Progress sessions.

The wealth management process typical for clients planning for retirement has five phases before periodic progress reviews begin:

- 1. Planning Envisionment:** Introductory conversation(s) where Advisor learns about Client financial experiences and what their concerns are about their future, and their confidence about their ability to realize their ideal future. Advisor may suggest possible planning goals as well as discuss common uncertainties and risks related to planning those goals. They mutually decide whether a good fit is possible.
- 2. Retirement Stress-Testing:** Client has provided additional financial information, taken certain tests, and selected and prioritized among possible goals related to their ideal future. Advisor analyzes and stress tests using proprietary modeling Client’s likely outcome based on their circumstances and actions against their ideal future. If there is a short-fall, Advisor collects additional information and in collaboration with Client develops alternative planning approaches as solutions. This may require a follow-up email/telephonic conversation to resolve tradeoffs required for confident outcomes due to adverse stress testing modelling results.

THE RETIREMENT WEALTH MANAGEMENT PROCESS





- 3. Strategy Commitment:** Advisor presents their retirement strategy planning recommendations, that together optimize an ideal future for reaching retirement lifestyle and family legacy goals with confidence. Alternative possible approaches that could be incorporated in whole or in part are also presented. Questions are answered, and various issues related to successful outcomes are discussed. Client and Advisor decide whether to commit to working together and, if so, sign advisory agreements and other required paperwork, as necessary.
- 4. Investment Planning:** Client is educated about Advisor's investment philosophy and process grounded in the science of capital markets. In consultation with Client, a formal investment policy strategy is established with a corresponding portfolio structure and liability-driven income instruments where appropriate. Custodial accounts are opened, assets transferred, and an integrated financial platforms setup for investment management, ongoing planning, and state-of-the-art consolidated reporting. Insurance and annuity vehicles for protection and flooring may be discussed.
- 5. Advanced Planning:** Advanced planning to preserve, protect and pass on wealth involves tax planning, insurance planning, benefit planning, asset protection planning, and legacy planning working in conjunction with Client's professional specialists or those recommended by Advisor. Advanced planning areas are prioritized around their urgency and relative complexity from conversations in earlier sessions. Those areas not immediately planned will be successively addressed over the first two years in regular periodic progress sessions.
- 6. Periodic Progress Sessions:** Client progress toward and concerns about their ideal future and investing outcomes is monitored quarterly for the first two years, and then periodically at least annually thereafter based on their service level. Goals, priorities, and recommendation based on changes in health, employment or family situations, tax and economic circumstances is followed by appropriate planning and implementation or professional specialist consultations, as necessary. Client planning models for Supreme, Premier and Preferred Clients are updated and stress-tested annually. Client is regularly educated in financial planning and investment matters in a way appropriate for them. The health of aging clients is monitored and reported to trusted contact persons if necessary.

Client Obligations. In performing our services, Advisor shall not be required to verify any information received from Client or from Client's other professionals and is expressly authorized to rely thereon. Moreover, each Client is advised that it remains their responsibility to promptly notify Advisor if there is ever any material change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Advisor's previous recommendations and/or services. Notice to Advisor **must** be provided in writing by mail or email

Retirement Rollovers—Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (including a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are

permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out plan account assets (which likely would result in adverse tax consequences, especially for those under age 60). If Advisor recommends that a client roll over their retirement plan assets into an account we manage, such a recommendation creates a conflict of interest if new or increased compensation is earned as the result of the rollover. No client is under any obligation to rollover retirement plan assets to an account Advisor manage. Advisor's fee schedule is such that our supervisory fee is the same if it stays with the old plan.

Portfolio Activity: Advisor has a fiduciary duty of loyalty and care to provide services consistent with the client's best interest. As part of its investment advisory services, Advisor will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, account additions/withdrawals, factor rebalancing or style drift, loss harvesting, tax bracket leverage, and/or a change in the client's investment objective as well as the level of incidental planning services Client requests or required in the previous calendar year. Based upon these considerations, there may be extended time periods when Advisor determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in *Item 5* below during periods of low account activity. Advisor fees will not increase due to extended periods of high account activity.

Investment Risk: Different types of investments involve varying degrees of risk and exposures to different risks. Thus, it should not be assumed that future performance of any specific investment or investment strategy (including particular investments and/or investment strategies recommended or undertaken by Advisor) will be profitable or equal any specific performance level(s) such as suggested in an investment policy statement or other historical documents used for client education purposes. Historic past performance or recent past performance is no guarantee or assurance of future results. Performance may be adversely affected by Client written insistence on making portfolio changes during period of high market volatility against the guidance of their investment policy or the recommendation of Advisor.

Use of Dimensional Fund Advisor portfolios: Many mutual funds are available directly to the public, without need to engage an investment professional as an intermediary. That is, they may be utilized and available independent of engaging Advisor. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through a specially approved group of registered investment advisers. Advisor utilizes primarily DFA mutual funds. Therefore, if Client decides to terminate Advisor's services without first selling their portfolio, restrictions regarding transferability and/or additional purchases of, or reallocation among, DFA funds will apply.

D. Advisor does not participate in a wrap fee program.

E. As of December 31, 2020, Advisor had approximately \$180,620,626 in regulatory assets under management with \$157,857,345 in discretionary assets and \$22,763,281 in non-discretionary assets among 105 Client households and 4 institutional relationships. \$6,817,209 of discretionary assets was associated with employer retirement plans.



Item 5/Fees and Compensation

A. Advisor's fee schedules are on Page 7 and Page 8. The fee for investment management services may incorporate part of the wealth planning consulting fee but solely at Advisor's discretion. Where the fee has been adjusted downward (available after first two full years of engagement), planning or consulting may be limited or not provided. Investment management services agreement automatically renews every calendar year until terminated. However, any wealth planning consulting agreement terminate either in six months or at the end of each calendar year, whichever is longer. The level of incidental planning and consulting provided in the prior year is reviewed to confirm a previous reduction from fee schedules.

B. Advisor's fee schedule combines fixed and variable components. Premier, Preferred and Standard service levels all have minimum fee level that may apply regardless of actual household's assets under management. The total fee for a household increases in excess of the offsetting minimum base fee as assets under management increase. Clients are allowed incidental planning and consulting services, in lieu of a new annual agreement for wealth planning. High or excessive utilization of incidental planning and consulting services during the prior calendar year or years, however, could limit or temporarily suspend the availability of incidental planning or consulting. Advisor fees are entirely separate from legal, accounting or other professionals' fees, even if such professional is part of Advisor's professional network.

WEALTH PLANNING AND CONSULTING

Advisor provides Wealth Planning and Consulting (WPC) services based on fee schedule located on Page 7. This service does not provide for any investment management services. Wealth planning services in addition to standard services described in *Item 4 (B)* are separately negotiated or provided based on hourly charges.

Wealth Planning & Consulting (Supreme, Premier and Preferred Clients): Advisor's wealth planning fee depends on a combination of Client's income and net worth (excluding primary personal residence, but including employer retirement plans, deferred comp arrangements, limited business interests and/or commercial real estate considerations), as well as the anticipated level of effort due to special circumstances of the Client.

The minimum WPC fee for financial, retirement or wealth planning (conforming to CFP Board standards) is \$10,000

with \$5,000 payable as a retainer. Introductory Planning with Stress Testing alone is \$5,000 and become part of a WPC arrangement if a client decides to continue with the planning process. WPC agreements typically terminate as of December 31st. Assuming that required planning is completed during the advisory engagement's first two years and no substantial investable assets are excluded from fee calculations, incidental WPC services are provided under an ongoing Investment Management service without additional charge. WPC fees for advisory clients with different levels of wealth is described more fully under *Item 4, "Wealth Planning Consulting."*

Where a Client terminates their investment management agreement in the same calendar year WPC services under a formal agreement, WPC schedule fees will be applied in full against any pro-rata refund that may otherwise be due.

Advisor provides limited advice regarding hedge funds, private equity ventures, limited partnerships or real estate businesses, or business valuations. Where competent advice is needed in those areas, clients would be referred to a specialist whose charges will be in addition to, and separate from, those of the Advisor.

Wealth Management Report (Levels I & II): The professional wealth planning process has 7 phases. Phases 1 through 5 develops a financial or retirement plan as previously described inclusive of any previous fee related to retirement planning and stress-testing. The fee will increase based on different levels of client wealth. Ongoing wealth management services require an Investment Management Agreement (IMA). Where a Wealth Planning & Consulting Agreement (WPC) begins the advisory relationship, some part of that initial fee paid may be creditable toward account set-up fees and the initial quarterly investment management fee. Normally this must be done within 90 days of the original engagement.

Hourly Advisory Fees: For situations where an hourly engagement is necessary, Paul Byron Hill CFP is \$500 per hour; Kam-Lin Kok Hill CFP is \$350 per hour; all other CFPs are \$250; \$125 per hour for general staff. A 50% retainer of the anticipated hours is required upon engagement where hourly services are required. Without advance written approval, hours charged will not exceed those mutually agreed. Any unused portion of a retainer will be refunded.

Investment Account Fees: Opening custodial accounts with Charles Schwab & Co., Hartford SMART529 plans, and annuity arrangements are subject to charge. Fee includes not only integrated account set-up, but integration with Advisor's management reporting and wealth planning platform. Financial tools include MoneyGuide Pro Elite and Yodlee.

Platform Arrangement Fees: Advisor charges a flat \$500 for arranging each account with Charles Schwab or \$250 for non-Schwab account and integrations, such as company retirement plans and annuity arrangements.

Financial Instrument Implementation Fees: The minimum consulting fee for planning and implementation of financial instruments such as single premium income annuities, deferred income annuities, indexed annuities and permanent life insurance is \$5,000. That fee may be greater based on the level of planning and fiduciary compliance required. At the Client's option, such fees may be waived based on reimbursement fees from non-affiliated agents paid to a related party with Client

WEALTH PLANNING & CONSULTING SCHEDULE

| Client Household | If Income and Net Asset Base | Annually |
|------------------------|------------------------------|-----------|
| Professional Report | \$2 million minimum | \$10,000+ |
| Professional Report II | \$5 million minimum | \$20,000+ |
| Standard Level | Up to \$1 million | \$10,000 |
| Preferred Level | Next \$2 million+ | \$20,000 |
| Premier Level | Next \$2 million+ | \$30,000+ |
| Supreme Level | Next \$5 million+ | \$50,000+ |

WPC fee may be credited quarterly toward investment management services.



disclosure. Advisor has CFP professionals for responsible for diligent evaluation of recommended products and services, obtaining relevant suitability information, and evaluating justifiable cost, reasonable performance and appropriate risk, to determine whether such transaction is in the “best interest” of Client (CFP professional fiduciary standards and New York Department of Financial Services Reg 187 apply). Financial products may not available to Client depending on health or state of residence. Where reimbursement fees are paid to related parties, such products will be specifically excluded from ongoing investment management charges for advisory purposes.

INVESTMENT MANAGEMENT SERVICES

For investment management services, Advisor’s fee (between 0.20% and 1.50%) is calculated as an annual percentage (%) of the market value and location of assets placed under differing levels of management. Fee schedules located on Page 7 are subject to household minimums (\$2,500 quarterly for “Preferred” level and \$5,000 quarterly for “Premier” level clients and above):

1. Investment Management—Schwab Custodial Accounts. The investment management fee schedules apply to household accounts with Charles Schwab & Co., our primary custodian, in aggregate. Family accounts with non-spousal taxpayer identification numbers (such as children or parents) are charged separately beginning at the highest base rate but Advisor’s minimum fee requirement is waived.

Fees between \$100,000 up to \$1 million *may be reduced up to 20 bps annualized at Advisor’s discretion* after the first two full calendar years of advisory relationship. Before considering any adjustment, substantially all Client investible assets (usually 95% typically excluding bank account balances) are billable, and advisory services in those years are average or less based on Advisor experience and expected to continue as such going forward. Advisor fee minimums still apply.

Advisor’s investment advisory fee occasionally may be negotiable depending upon certain objective and subjective factors including but not limited to: the total amount of manageable assets; anticipated future additional assets; portfolio composition; the scope and complexity of the

engagement; the anticipated number of meetings and servicing requirements; related family or household accounts; future expected earning capacity; which professional(s) render service(s); prior relationships with us and/or our representatives, and when the relationship with Advisor began.

As a result of these factors, similarly situated clients could pay different fees, client services to be provided could be available for less with a different advisor at the firm, and institutional clients may pay fees less than fee schedules. For instance, for assets held with Schwab Trust Company, the non-custodial account schedule would apply instead.

2. Investment Management—Non-Custodial Client Accounts.

A separate advisory schedule applies to employer retirement plan assets, deferred compensation arrangements, annuity and life insurance arrangements. Non-custodial accounts are coordinated with custodial accounts for an integrated, tax-efficient investment management strategy. Non-custodial accounts have fees calculated “on top of” custodial account fees for better pricing and their inclusion applies toward and offsets minimum household fees. These accounts are non-discretionary, that is, client approval is needed before changes are made in those accounts.

B. Clients have advisory fees deducted from their custodial accounts or they may pay Advisor directly. Billings are quarterly in advance. Billings are based upon the market value of the assets on the last business day of the previous quarter, subject to service-level minimums prorated quarterly. Broker-dealer custodial agreements with Charles Schwab authorize debiting accounts proportionally for the annualized fee (ordinarily one-fourth of the annualized rate quarterly as shown in billing statements) and then directly remit that deducted investment advisory fee to Advisor in compliance with specific regulatory procedures where Client does not pay Advisor directly. Client may pay Advisor directly.

Where fees are payable for non-custodial accounts, those fees will first be deducted from qualified custodial accounts (such as IRAs), and only then from non-qualified custodial accounts if that is allowed. Where spouses mutually hold powers of attorney for their household custodial accounts, then any account may be debited for fees if cash is available. The Client may request that fees be deducted only from

CUSTODIAL ACCOUNTS: INVESTMENT MANAGEMENT SCHEDULE

| Aggregate Advisory Assets Managed | Per Quarter | Annualized Rate |
|-----------------------------------|-------------|-----------------|
| First \$100,000 | 0.375% | 1.50% |
| Next \$900,000 to \$1 million | 0.250% | 1.00% |
| Next \$1 million to \$5 million | 0.200% | 0.80% |
| Next \$5 million to \$10 million | 0.175% | 0.70% |
| Next \$5 million to \$15 million | 0.150% | 0.60% |
| Next \$10 million to \$50 million | 0.125% | 0.50% |
| More than \$50 million | 0.100% | 0.40% |

Subject to minimum annual fee for level (prorated quarterly). Fees may be negotiable for the first \$1 million after two calendar years under certain conditions.

NON-CUSTODIAL ACCOUNTS: INVESTMENT MANAGEMENT SCHEDULE

| Aggregate Advisory Assets Supervised | Per Quarter | Annualized Rate |
|--------------------------------------|-------------|-----------------|
| First \$1 million | 0.250% | 1.00% |
| Next \$1 million to \$5 million | 0.200% | 0.80% |
| Next \$10 million to \$15 million | 0.125% | 0.50% |
| Next \$10 million to \$25 million | 0.100% | 0.40% |
| Next \$25 million to \$50 million | 0.075% | 0.30% |
| More than \$50 million | 0.050% | 0.20% |

Subject to minimum annual fee for level. In some cases an additional 20 bps discount will be allowed (prorated quarterly). These fees coordinate with the custodial Investment Management Schedule at left.



specific accounts. For Clients paying advisory fees directly, fees unpaid thirty days or more after the beginning of the current quarter will be debited automatically. Supplemental fees under a *Wealth Planning Consulting Agreement* may be debited from custodial accounts with Client permission.

- C. As discussed in *Item 12*, unless Client directs otherwise or circumstances dictate, Advisor recommends that Charles Schwab and Co., Inc. ("Charles Schwab") serve as the broker-dealer/custodian for investment advisory assets. Charles Schwab charges commissions and/or transaction fees for effecting certain securities transactions. Charles Schwab's maximum transaction fee (by internet) for mutual funds is \$25, and \$0 for ETFs and stocks. In addition to all these fees, Clients also incurs charges imposed at the fund level for mutual fund and exchange traded funds (e.g., regular management fees and other maintenance expenses). Where EFTs and stocks are traded, costs of buy/sell spreads will be incurred.

Advisor primarily recommends investments with Dimensional Fund Advisors. Dimensional Fund Advisors institutional-class mutual fund management fees and other charges may range from .08% to .85% annualized (net to investor).

Other investments Advisor recommends that have maintenance and expense (M&E) charges at the account level in addition to fund expenses include 529 college plans and deferred annuities. Examples are Hartford Life Insurance (WV SMART529 Select) for static and age-based portfolios ranges from .67% to 1.02% annually. Transamerica Life (NY) Advisors Edge charges .55% annually M&E and administration charges plus a \$30 annual policy charge plus fund management fees plus additional costs for optional benefits such as promise-based income riders. Lincoln Financial Group Advantage RIA Class annuities have no annual policy charge and a .35% maximum M&E and administration charge but also include mutual fund management fees plus the cost of optional benefits such as promise-based income riders.

- D. Advisor's investment advisory fee shall be prorated and paid quarterly, in advance, based upon quarterly beginning account balances. A minimum fee paid quarterly and prorated when necessary, applies to "Supreme", "Premier", and "Preferred" level clients as described in *Item 4 (B)*. Investment Management Schedule fee charges offset the minimum quarterly fee.

Advisor, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its annual minimum fee or set-up fees based on certain criteria (i.e., relationship to primary family household accounts, total dollar amounts to be managed, anticipated future additional assets, account composition, inception of historical advisory relationship, anticipated level of wealth services, etc.). Certain adjustments for non-primary household accounts may not be applied similarly to clients who are primary family members or to other clients.

Clients subject to Advisor's annual minimum fee for their level of service may pay a percentage fee effectively higher than the annual fee percentage referenced in the Investment Management fee schedules shown on Page 8.

The *Investment Management Agreement* between Advisor and Client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement. As of the date of termination, Advisor shall refund a pro-rated portion of the advanced advisory fee deducted based upon remaining days in the billing quarter. Charges related to wealth planning services provided in that calendar year under the terms of a *Wealth Planning Consulting Agreement* shall be charged against the unearned portion of the quarterly investment management fee, but not to exceed the quarterly amount previously billed.

- E. Neither Advisor nor its representatives accept compensation (commissions) from the sale of securities or other investment related products for performing investment advisory services. As stated in *Item 5(A)* related persons can receive reimbursements for insurance product implementation with Clients permission in advance that could offset Wealth Planning and Consulting fees otherwise due, but only where such products and such an arrangement is in Client "best interest" relative to insurance products paying no commissions. In those cases, the original fee arrangement would apply.

Disclosure Statement. A copy of the Advisor's written Disclosure Brochure as set forth on Part 2A of Form ADV shall be provided to each Client prior to, or contemporaneously with, the execution of the *Investment Management Agreement* or *Wealth Planning Consulting Agreement*.

Disclosure for Certified Financial Planners™: Clients have the right to ask at any time about compensation arrangements regarding any Advisor employee licensed as a CFP® professional with the Certified Financial Planner Board of Standards.

Item 6/Performance-Based Fees and Side-by-Side Management

Neither the Advisor nor any supervised person accepts performance-based fees.

Item 7/Types of Clients

Advisor's clients are primarily households of high net worth individuals and/or immediate family members. Small company retirement plans, family trusts, estates and charitable trusts associated with those client households are also clients. Some clients are non-affluent individuals. Advisor does not serve investment companies, insurance companies, banks, hedge funds, sovereign wealth funds, or public company and governmental plans.

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

A. Methods of Analysis

Fundamental analysis in portfolio design and construction is based on dimensions of risk and *expected* return. Advisor "structures" portfolio strategies based on rigorous theoretical and empirical research and a coherent investment philosophy derived from modern financial science. The "Fama/French" multifactor model offers a simple and elegant framework for portfolio design, analysis and investment discipline.



A core principle of our philosophy is the belief that market prices contain reliable information about systematic differences in expected returns in securities. A multidimensional research-based model brings order and clarity to the investing process—isolating and explaining forces that drive persistent and pervasive returns in securities markets. This guides positioning our portfolios across the aggregated accounts of a household without resorting to market timing or making predictions about how the future moves markets.

Advisor relies on multiple information sources that include financial publications, research materials, subscription services and internet resources, such as Retirement NextGen, MoneyGuide Elite, Morningstar Direct, the Vanguard Group and Schwab Advisor Services, but primarily from Dimensional Fund Advisors and its resources.

Investment Strategies

Decades of advanced search in financial science point to systematic differences in expected returns of stocks and bonds. Consequently, Advisor structures portfolios around dimensions of returns which are sensible, backed by empirical research, and cost-effective to capture in diversified portfolios for planning long-term retirement strategies.

Sensible investing for a fiduciary should be a rational process. It involves deciding how much risk to take based on the preferences and capacity of the client, then selecting asset classes appropriate to the client's risk-return trade-off. How a portfolio is exposed to risk—which asset classes are held and in what proportions—drives its expected return when that exposure is consistently maintained.

Risk exposure based on the cost of capital of different asset classes is the primary determinant of long-term outcomes relative to alternative allocations. Advisor employs globally diversified portfolios to hopefully realize planning outcomes more reliably, emphasizing wealth preservation and financial security for greater peace of mind.

We fundamentally believe: (1) *Securities are fairly priced in liquid and competitive markets*, (2) *diversification is essential*, and (3) *investing involves trading off risks and cost with expected returns*. Differences in return among equity strategies are largely determined by relative exposure to four statistical factors or “dimensions”: the market, company size, relative price and profitability.

Stocks offer higher expected returns than fixed income securities such as bonds due to a higher perceived risk of market price volatility. Economists believe that small cap and value stocks will tend to outperform large cap and growth stocks over time because markets discounts equity prices to reflect differences in underlying risk factors. And more profitable companies will tend to sell for higher prices than less profitable companies simply due to greater expected future cash flows.

By focusing on risks with higher expected returns and minimizing those without, investing strategy chooses how much of those risks an investor should bear relative to their preferences, needs and goals, and then seek to minimize risk and costs. Selecting equity funds engineered around those sources of dimensionally-targeted returns generates opportunities to add substantial value relative to popular commercial indexes.

Fixed income can be reduced to factors, plus currency: term and credit quality. Income goals, risk tolerances, liquidity needs and tax situation are considered. Within those factors, fixed income portfolio allocations are structured to trade off risks and costs. Dimensionally-targeted strategies can add value while controlling risk better through yield curve and credit spread-aware designs that take advantage of a globally diverse universe of bonds, while employing patient trading techniques to keep costs lower and improve results.

Risk of Loss

Investing always exposes investors to risk of loss. Past performance is no guarantee of results or any assurance of returns. You may lose money, regardless how long you remain invested from simple bad luck. Investing risk does not decrease over time.

Different types of investments involve varying degrees of risk. The future performance of any investment or advisor strategy should not be assumed to be profitable or equal historic past performance levels regardless of investment policy or retirement planning models.

Outcomes may be affected by unforeseen economic, political, social as well as market information or behavioral issues that could negatively impact client or Advisor's decision-making ability.

Investing risks may be divided into two broad categories:

Non-systematic Risks

- **Company or Business risk:** The impact that poor management decisions and internal or external situations can have on company performance and their securities.
- **Credit or Default risk:** The possibility that a bond issuer won't pay interest or principal as scheduled or in full. Deferred annuities of even the best insurance companies continue to have credit risk.

Diversification reduces systematic risk by increasing the number of securities held in a portfolio. However, diversification never eliminates primary non-systematic investment risks.

DIMENSIONALLY-TARGETED FACTOR-BASED STRUCTURED INVESTING STRATEGIES



1. Relative price as measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.
2. Profitability is a measure of current profitability, based on information from individual companies' income statements.



Systematic Risks

- **Market risk:** Security prices are always uncertain and may lose money in response to new information and speculation constantly becoming known to market participants.
- **Interest-rate risk:** Value of fixed income securities may decline due to changes in interest rate changes. When interest rates may increase, existing bonds decline in price.
- **Inflation risk:** Unexpected increases in the prices of goods and services will cause of loss of buying power from a decline in the value of money over time.
- **Currency risk:** Changes in the exchange rate between foreign currencies and the US dollar may increase or decrease returns of investments not denominated in US dollars.
- **Liquidity risk:** Inability to buy or sell a security or investment quickly for a price close to the true underlying value due to the “thinness” of trading at the end of the day or during a market crisis.
- **Sociopolitical risk:** Instability or unrest from wars, social instability, pandemics or governmental turmoil may affect investment markets in a region or markets globally.

Asset class allocation, like diversification, is an accepted risk management technique. Investors with an investment policy they follow are more likely to maintain disciplined through market cycles. Dimensionally-targeted strategies diversifies systematic risks differently. Risk is not limited to the above and includes: longevity risk, withdrawal risk, savings risk, leverage risk and spending risk.

B. Advisor's investment strategies and methods of analysis do not present significant or unusual risks. The investment management process primarily employs mutual funds and ETFs as opposed to selecting individual securities and depending on trading activities.

The mutual fund industry has rules and regulations designed to benefit investors. Mutual funds are principally regulated by the Securities and Exchange Commission (SEC) under several laws including the Securities Act of 1933, Securities Exchange Act of 1934, which established the SEC, and the Investment Company Act of 1940. These laws regulate the formation and activities of mutual funds as well as mutual fund investment advisers, principal underwriters, directors, officers, and other parties providing services to the fund.

The rules of the regulated mutual fund industry are intended to protect investors, and it's essential that investors take full advantage of the available information and make decisions based on careful analysis in consultation with a financial advisor. Dimensional Fund Advisors only sells fund shares through select financial advisors who purchase or redeem fund shares through an investor custodian who has a responsibility to the investor and is an independent entity separate from the other parties in the process, compiling account information for shares bought and sold for each client independently of the financial advisors.

Advisor's method of analysis has inherent risks. For an informed analysis Advisor must have access to accurate market information. Advisor has no control over the timing or dissemination rate of market or security information; therefore

certain analyses may be compiled with inaccurate information, limiting the value of Advisor's analysis. There can be no assurances that any investing methodology will materialize into profitable investment strategies within a client's planning horizon, if at all under certain extreme conditions.

Furthermore, no promises or assumptions can be made that Advisor's services will provide a better return than any other investment strategy. Advisor does not represent, warrant or imply that the services or methods of analysis used can or will predict future results, identify market tops or bottoms, or insulate clients from losses due to market volatility or serious corrections.

Advisor's concentration on multifactor investment strategies has special inherent risks and limitations. For example, multifactor strategies often require longer periods of time (ten years or longer) to reliably evaluate relative performance advantages. Client's commitment to their investment management strategy for extended periods, including periods of market turmoil, is critical for positive expected outcomes, but personal circumstances (employment or health or simply aging) and emotional tolerance may over time.

C. **Licensed Insurance Agents.** Paul Byron Hill and Kam-Lin K. Hill, each a related person of Advisor, and may share in compensation payable to an agent if financial instruments such as annuities or insurance are purchased.

Conflict of Interest: Recommendation by either Advisor or its related persons presents a conflict of interest, as the receipt of reimbursement as insurance brokers provides an incentive to recommend financial instruments based on compensation received rather than need. However, reimbursement fees paid to a related party of Advisor is intended to offset advisory consulting and implementation fees otherwise payable to Advisor under that separate agreement. As CFP® professionals and New York licensed brokers, related persons of Advisor have a fiduciary duty to evaluate all products, services and transactions available, relevant suitability information, and consider the cost, expected return and financial risk justifiable and appropriate in the best interest of Client (CFP® professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable products are found to be in Client's best interest, they will be recommended, and Client will pay the full fee under their separate advisory agreement with Advisor. SPIAs and DIAs/QLACs implemented are **not** subject to ongoing AUM charges, so total Client fees may be reduced. Still, Client is under no obligation to purchase any commissionable product from a related person of Advisor, and implementation is entirely at Client's discretion.

Item 9/Disciplinary Information

The Advisor or its representatives have not been the subject of any disciplinary actions.

Item 10/Other Financial Industry Activities and Affiliations

A. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.



B. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. (8) **Licensed Insurance Agents.** Paul Byron Hill and Kam-Lin K. Hill, each a related person of Advisor, and may share in compensation payable to an agent if insurance or annuities are purchased.

Conflict of Interest: The recommendation by either Advisor or its representatives presents a conflict of interest, as the receipt of reimbursement as insurance brokers may provide an incentive to recommend financial instruments based on commissions received rather than need. However, reimbursement fees paid to a related party of Advisor from non-affiliated agents will offset advisory consulting and implementation fees otherwise payable to Advisor. As CFP professionals and licensed brokers in New York, related persons of Advisor have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of Client (CFP professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable products are in a client's best interest, they will be recommended, and Client will pay the full fee under the advisory agreement with Advisor. SPIAs and DIAs/QLACs are **not** be subject to ongoing AUM charges and so likely reduce total Client fees. Still, Client is under no obligation to purchase any commissionable product from a related person of Advisor, and implementation is entirely at Client's discretion.

D. Advisor has no agreements with other investment advisors but may establish such agreements in the future.

Item 11/Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Advisor maintains an investment policy relative to personal securities transactions. This investment policy is part of Advisor's overall Code of Ethics, which serves to establish a standard of business conduct for all of Advisor's Investment Advisory Representatives that is based upon fundamental principles of openness, integrity, honesty and trust. A copy is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, Advisor also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Advisor or any person associated with Advisor.

B. Neither Advisor nor any related person of Advisor recommends, buys, or sells for Client accounts, securities in which the Advisor or any related person of Advisor has a material financial interest.

C. Advisor and/or its representatives can buy or sell certain securities (stocks, bonds and similar securities) that may be recommended to Clients. This practice can create a situation where Advisor and/or its representatives are in a position to materially benefit from sale or purchase of those securities, creating a conflict of interest. Practices such

as "scalping" (i.e., whereby owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon rise in market price following the recommendation) could take place if Advisor did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Advisor's Clients) and other potentially abusive practices.

Advisor has a personal securities transaction policy and procedures in place to monitor the personal securities transactions and securities holdings of each of Advisor's "Access Persons." Advisor's securities transaction policy requires that Access Person of the Advisor must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Advisor selects. (However in the event Advisor ever has only one Access Person, submitting such securities reports is not required.)

D. Advisor and/or its representatives *may* buy or sell certain securities, at or around the same time as those securities are recommended to Clients. This practice could create a situation where the Advisor and/or its representatives are in a position to materially benefit from the sale or purchase of those securities, a conflict of interest. As indicated above in *Item 11 (C)*, Advisor has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each Access Person.

Additionally, each Access Person must provide quarterly transaction reports within thirty days after the end of each calendar quarter.

Exceptions: (1) Advisor's investment policy recognizes that certain securities purchased and sold on behalf of Clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on markets of those securities. Under such circumstances exceptions may be made to the policies stated above; records of those trades, including the reasons for the exceptions, will be maintained with records in the manner set forth above. As a matter of Advisor policy, Access Persons are not allowed by Advisor to trade individual stocks or bonds that could conceivably create a conflict of interest. In any case, if ownership of such securities occurs due to unforeseen circumstances (such as an inheritance), any Access Persons will be "last in" or "last out" for the trading day.

(2) Interests of Advisor's Access Persons often correspond with those of Clients, and Advisor invests in the same Dimensional mutual funds as they recommend to Clients. Open-end mutual funds and/ or variable annuity subaccounts are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. Such transactions by Access Persons are relatively small and unlikely to have any material impact on prices of fund shares in which Clients invest. Therefore they are NOT prohibited by Advisor's personal securities transaction policy.



Item 12/Brokerage Practices

A. Advisor generally will recommend that investment advisory accounts be maintained at Charles Schwab & Co. ("Charles Schwab"), in the event that a Client requests that Advisor recommend a broker-dealer/custodian for execution and/or custodial services. (Those Clients directing Advisor to use a particular broker-dealer/custodian are excluded.) Prior to engaging Advisor to provide investment advisory services, the Client is required to enter into a formal Investment Management Agreement setting forth the terms and conditions under which Advisor shall manage Client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Advisor considers in recommending Charles Schwab (or any other broker-dealer/custodian) include: historical relationship with Advisor, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Advisor's Clients shall comply with the Advisor's duty to seek best execution, a Client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Advisor determines, in good faith, that the commission/ transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Advisor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/ custodian are exclusive of, and in addition to, Advisor's fee. Advisor's best execution responsibility is further qualified where securities that it purchases for Client accounts are primarily mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits Although not a material consideration when determining whether to recommend that a Client utilize the services of a particular broker-dealer/ custodian, Advisor receives from Charles Schwab (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Advisor to better monitor and service Client accounts maintained at such institutions. Included within the support services obtained by Advisor can be investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Advisor in furtherance of its investment advisory business operations.

As indicated above, certain support services and/or products that can be received may assist Advisor in managing and administering Client accounts. Others do not directly provide such assistance, but rather assist Advisor to manage and further develop its business enterprise.

There is no corresponding commitment made by Advisor to Charles Schwab or any other any entity to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Advisor's Chief Compliance Officer, Paul Byron Hill, is available to address any questions that a Client or prospective Client may have regarding the above arrangement and any conflict of interest such arrangement may create.

2. Advisor does not receive referrals from Charles Schwab or any broker-dealer/custodian.
3. Advisor does not generally accept directed brokerage arrangements (when a Client requires that account transactions be effected through a specific broker-dealer). However when such Client-directed arrangements do exist and Advisor consents to the arrangement, Client will negotiate their own account terms and arrangements with that broker-dealer, and Advisor will not seek better execution services or prices from other broker-dealers. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Note: Where Client directs Advisor to effect securities transactions for the Client's accounts through a specific broker-dealer, the Client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the Client determined to effect account transactions through alternative clearing arrangements that may be recommended by Advisor.

- B. To the extent that Advisor provides investment advisory services to Clients, transactions for each Client account will be made independently and individually. Advisor will not obtain volume discounts or aggregate trades, and commission charges will vary among Clients. Advisor will not combine or "bunch" such orders to seek best execution, or negotiate more favorable commission rates because trading is individualized for Clients while attempting to reduce overall transaction costs. Client investments are primarily mutual funds and exchange-traded funds. Portfolios are structured individually for each Client, which may include specific income tax considerations related to portfolio transactions. Advisor employs primarily a "buy-and-hold" approach with mutual funds to keep fund trading costs low. Tax planning for portfolio accounts is often much more significant than trading costs in keeping total *investor* costs, after-tax, lower and thereby maximum after-tax wealth.

Item 13/Review of Accounts

A. Advisor provides ongoing investment advisory management services and wealth planning consulting periodically. Reviews by Advisor's Investment Advisory Representatives are as follows:

WEALTH PLANNING CONSULTING: Annual portfolio planning and annual retirement/legacy planning reviews are provided for Supreme, Premier and Preferred Clients who request such reviews. Others only receive a portfolio



planning review annually. The professional wealth management process, and the eligibility for such reviews, is described in *Item 4 (B)* above. Personal reviews are provided not less often than annually, and as often as quarterly at Client request. Supreme and Premier clients may have tax planning and legacy planning reviews included at their review requests.

INVESTMENT MANAGEMENT SERVICES: Investment Management account reviews is part of the annual portfolio planning review offered to all clients. Portfolios are reviewed at least monthly and reviewed in detail quarterly. Quarterly and semi-annual meeting with Premier and Preferred clients may combine with a financial planning consulting with their investment advisory review. Standard client have a formal investment review meeting yearly.

- B. The Advisor *may* conduct informal account reviews for any Client other than described above upon the occurrence of a specific triggering event: Client request; adding or distributing funds within accounts; market volatility; or sudden or unexpected material change in a Client's personal circumstances or their financial situation.
- C. Clients are provided, at least quarterly, written account summary statements and reports summarizing aggregate account positions, aggregate account performance, and historical aggregate activity for accounts under management or advisement. Written transaction confirmation notices are provided directly from their broker-dealer/custodian (also website accessible), and changes from account providers (for annuities and 529 plans) and/or employer retirement plan sponsors (also website accessible).

Item 14/Client Referrals and Other Compensation

- A. Advisor receives no client referrals from Charles Schwab or any other custodian. As referenced in *Item 12 (A) 1* above, Advisor receives indirect economic benefits from Charles Schwab. Advisor, without cost (and/or at a discount), receives support services and/or products from Charles Schwab.

Advisor has no corresponding commitment to Charles Schwab or any other entity, including but not limited to, Dimensional Fund Advisors to invest any specific amount or percentage of Client assets in any particular mutual funds, securities or other investment products as result of any commitments.

- B. Advisor does not receive Client referrals from non-supervised persons for compensation but may make such arrangements and pay compensation to such persons in the future.

The Advisor's Chief Compliance Officer, Paul Byron Hill, remains available to address any questions that a Client or prospective Client may have regarding the above arrangements and any conflict of interest any such arrangements may create.

Item 15/Custody

Advisor has the ability to have its advisory fee for each Client debited periodically by broker-dealer/custodians. This is only for those Clients who do not pay directly for advisory services

from quarterly billings. Deducting fees from Client accounts through a detailed procedure supervised by the broker-dealer/custodian is the sole extent of Advisor custody of Client assets. Broker-dealer/custodians do not verify the accuracy of Advisor's advisory fee calculations.

Clients are provided with periodic written summary account statements and written transaction confirmation notices directly from their broker-dealer/custodian (monthly and by internet access), account provider (for annuities and 529 plans), and/or employer retirement plan sponsor (by internet access). Advisor also provides Clients its own separate written report summarizing in detail aggregate account allocations, aggregate account performance, and aggregate account transaction activity. *The Client is urged to compare any statement or report provided by the Advisor with the account statements received from the broker-dealer/custodian or other account provider.*

Item 16/Investment Discretion

Advisor provides investment advisory services on a discretionary basis. This discretion is specifically limited by the terms and written limitations of the Client's investment policy statement or related communications. Non-discretionary advisory services may be available under limited circumstances.

Item 17/Voting Client Securities

- A. The Advisor does not vote Client proxies. Clients maintain exclusive responsibility for: (1) directing the way proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Advisor to discuss any questions they may have with a particular solicitation.

Item 18/Financial Information

- A. The Advisor does not solicit fees of more than \$1,200, per Client, six months or more in advance.
- B. As per *Item 16*, the Advisor offers investment advisory services on both a discretionary and a non-discretionary basis but has no financial information that would impact discretionary advisory services.
- C. The Advisor has not been the subject of a bankruptcy petition.

Professional Financial's Chief Compliance Officer, Paul Byron Hill, CFP, remains available to address any questions regarding this Part 2A.



PROFESSIONAL
FINANCIAL
Purposeful Wealth Management

Professional Financial Strategies, Inc.

SEC File Number: 801-107130

IARD/CRD File Number: 125580

Firm Supplement

Form ADV, Part 2B

Dated March 30, 2021

Paul Byron Hill

Chief Compliance Officer

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This brochure provides information about the qualifications and business practices of Professional Financial Strategies, Inc. (the "Advisor"). If you have any questions about the contents of this brochure, please contact us at (585) 218-9080 or paulhill@professionalfinancial.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. References herein to Advisor as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Additional information about Advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Item 1/Cover Page

Professional Financial Strategies, Inc.

Firm Supplement

Dated March 30, 2021



Paul Byron Hill

This brochure supplement provides information about Paul Byron Hill that supplements the Professional Financial Strategies, Inc. brochure. You should have received a copy of that brochure.

Please contact Paul Byron Hill, *Chief Compliance Officer* if you did not receive Professional Financial Strategies' brochure or if you have any questions about the contents of this supplement.

Additional information about Paul Byron Hill is available on the SEC's website at www.adviserinfo.sec.gov.

Contact: Paul Byron Hill,
Chief Compliance Officer
1159 Pittsford-Victor Road, Suite 120
Pittsford, New York, 14534

Item 2/Education Background and Business Experience

Paul Byron Hill was born in 1952. Mr. Hill has been CEO, President or Chief Compliance Officer of Professional Financial Strategies, Inc., a registered investment adviser, since 1993. Mr. Hill graduated from the University of Rochester with a degree in English with Distinction. Education related to the practice of personal financial planning includes: MBA (Finance) from the Simon Business School at the University of Rochester (NY); an MS in Financial Services from the American College (PA); and a MS in Financial Planning from The College for Financial Planning, now part of the University of Phoenix (AZ).

Mr. Hill has been a **CERTIFIED FINANCIAL PLANNER™** since 1983. The Certified Financial Planner Board of Standards, Inc. ("CFP Board") authorizes use of the CFP® marks by individuals who successfully complete the CFP Board's initial and ongoing certification requirements.

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete a college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the

competent and professional delivery of financial planning services or an accepted equivalent, including [completion of a financial plan development capstone course](#), and attain a Bachelor's Degree from an accredited college or university. CFP Board's financial planning subject areas include professional conduct and regulation, general principles of financial planning, education planning, risk management and insurance planning, investment planning, income tax planning, retirement savings and income planning, and estate planning;

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – CFP Board requires 6,000 hours of experience through the Standard Pathway, and
- **Ethics** – Agree to be bound by CFP Board's *Code of Ethics and Standards of Conduct*, which put clients' interest first; acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*; comply with the *Financial Planning Practice Standards* which determine what clients should reasonably expect from the financial planning engagement and complete a CFP® Certification Application which requires disclosure of an individual's background, including involvement in any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry, bankruptcy, customer complaint, filing, termination/internal reviews conducted by the individual's employer or firm.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours accepted by the CFP Board every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – CFP® professionals agree to adhere to the high standards of ethics and practice outlined in CFP Board's *Code of Ethics and Standards of Conduct* and to acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*. The *Code of Ethics and Standards of Conduct* require that CFP Professionals provide financial planning services in the best interests of their clients.
- **Certification Application** – Properly complete a Certification Application to (i) acknowledge voluntary adherence to the [terms and conditions of certification with CFP Board](#) and (ii) disclose any involvement in criminal and civil proceedings, inquiries or investigations, bankruptcy filings, internal reviews and customer complaints.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

You may [verify an individual's CFP®](#) certification and background through the CFP Board. Additional regulatory information may also be found through [FINRA'S BrokerCheck](#) and the [SEC's Investment Adviser Public Disclosure databases](#), which are free tools that may be used to conduct research on the background and experience of CFP® professionals, including with respect to employment history, regulatory actions, and investment-related licensing information, arbitrations, and complaints.

Mr. Hill has held a **Chartered Financial Consultant (ChFC®)** designation since 1983. ChFC® is a financial planning designation for the financial services industry conferred by The American College of Financial Services (PA). Candidates must meet education, experience, examination, and ethical requirements. Candidates must have at least three years of experience in the financial industry, or an undergraduate or graduate degree from an accredited university and two years of experience in the financial services industry. Candidates must take nine academic courses each followed by an two-hour exam. Courses and exams cover topics in finance, investing, insurance, and estate planning, with ongoing continuing education and ethics requirements.

Mr. Hill has held a **Wealth Management Certified Professional (WMCP®)** designation since 2019. WMCP® is a designation teaching advisers concept, techniques and best practices for comprehensive wealth management. The education cover topics in life-cycle theory, goals-based planning, portfolio investment strategy, financial instruments, strategic wealth management, and specialized complex planning strategies. Candidates must take five academic courses that represents an average study time of more than 150 hours followed by an intensive four-hour mastery exam. WMCP® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Mr. Hill has held a **Retirement Income Certified Professional (RICP®)** designation since 2020. The RICP® designation teaches advisers techniques and best practices used to create sustainable streams of retirement income. The education covers retirement income planning, maximizing Social Security and other income sources, minimizing risks to the plan, and managing portfolios during the asset distribution phase. The designation includes three required, college-level courses that represent a total average study time of more than 150 hours. RICP® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related business, occupation or activity not related to financial planning or wealth management or education in financial planning.
- B. **Licensed Insurance Broker.** Mr. Hill is a licensed insurance broker, a related person of Professional Financial, and may share in compensation payable to an agent if insurance or annuities are purchased.

Conflict of Interest: The recommendation of purchasing a financial instrument presents a material conflict of interest, as the receipt of reimbursement as insurance brokers may provide an incentive to recommend products based on commissions received rather than need. However, reimbursement fees paid to a related party of Professional Financial from non-affiliated agents will be accepted in lieu of advisory consulting fees otherwise payable to the firm. As CFP professionals and as licensed brokers in New York, related persons of Professional Financial have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of Client (based on CFP professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable insurance and annuity instruments are determined to be in a client's best interest, they will be implemented, and Client will pay the full advisory fee as agreed. NOTE: SPIA, DIA and QLAC products are not subject to ongoing AUM charges and so expected to reduce advisory fees otherwise payable over the long-term.

Professional Financial Strategies' Chief Compliance Officer, Paul Byron Hill, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 5/Additional Compensation

None, other than as a shareholder of Professional Financial Strategies, Inc

Item 6/Supervision

Professional Financial Strategies, Inc. provides investment advisory and supervisory services in accordance with SEC and state regulatory requirements. As Professional Financial Strategies' *Chief Compliance Officer*, Paul Byron Hill is primarily responsible for overseeing the activities of Professional Financial's supervised persons.

Mr. Hill also monitors client accounts and conducts client account reviews on at least an annual basis. Should a client have any questions regarding Professional Financial Strategies' supervision or compliance practices, please contact Mr. Hill at (585) 218-9080.

Item 1/Cover Page

Professional Financial Strategies, Inc. **Firm Supplement**

Dated March 30, 2021



Kam-Lin Kok Hill

This brochure supplement provides information about Kam-Lin K. Hill that supplements the Professional

Financial Strategies, Inc. brochure. You should have received a copy of that brochure. You may also contact the Chief Compliance Officer if you did not receive Professional Financial Strategies' brochure or if you have any questions about the contents of this supplement.

Additional information about Kam-Lin K. Hill is available on the SEC's website at www.adviserinfo.sec.gov.

Contact: Paul Byron Hill,
Chief Compliance Officer
1159 Pittsford-Victor Road, Suite 120
Pittsford, New York, 14534

Item 2/Education Background and Business Experience

Kam-Lin K. Hill was born in 1961. Ms. Hill received her MBA from The University of Hull, UK. Ms. Hill has been employed as Executive Vice President and CIO of Professional Financial Strategies, Inc. since 2001. Ms. Hill also serves as Managing Director of Professional Financial Solutions, LLC.

Ms. Hill has been a **CERTIFIED FINANCIAL PLANNER™** since 2005. The Certified Financial Planner Board of Standards, Inc. ("CFP Board") authorizes use of the CFP® marks by individuals who successfully complete the CFP Board's initial and ongoing certification requirements.

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete a college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services or an accepted equivalent, including [completion of a financial plan development capstone course](#), and attain a Bachelor's Degree from an accredited college or university. CFP Board's financial planning subject areas include professional conduct and regulation, general

principles of financial planning, education planning, risk management and insurance planning, investment planning, income tax planning, retirement savings and income planning, and estate planning;

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – CFP Board requires 6,000 hours of experience through the Standard Pathway, and
- **Ethics** – Agree to be bound by CFP Board's *Code of Ethics and Standards of Conduct*, which put clients' interest first; acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*; comply with the *Financial Planning Practice Standards* which determine what clients should reasonably expect from the financial planning engagement and complete a CFP® Certification Application which requires disclosure of an individual's background, including involvement in any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry, bankruptcy, customer complaint, filing, termination/internal reviews conducted by the individual's employer or firm.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours accepted by the CFP Board every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – CFP® professionals agree to adhere to the high standards of ethics and practice outlined in CFP Board's *Code of Ethics and Standards of Conduct* and to acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*. The *Code of Ethics and Standards of Conduct* require that CFP Professionals provide financial planning services in the best interests of their clients.
- **Certification Application** – Properly complete a Certification Application to (i) acknowledge voluntary adherence to the [terms and conditions of certification with CFP Board](#) and (ii) disclose any involvement in criminal and civil proceedings, inquiries or investigations, bankruptcy filings, internal reviews and customer complaints.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

You may [verify an individual's CFP®](#) certification and background through the CFP Board. The verification function will allow you to verify an individual's certification status, CFP Board's disciplinary history and any bankruptcy



disclosures in the past ten years. Additional regulatory information may also be found through [FINRA'S BrokerCheck](#) and the [SEC's Investment Adviser Public Disclosure databases](#), which are free tools that may be used to conduct research on the background and experience of CFP® professionals, including with respect to employment history, regulatory actions, and investment-related licensing information, arbitrations, and complaints.

Ms. Hill holds a **Chartered Financial Consultant (ChFC®)** designation since 2004. ChFC® is a financial planning designation for the financial services industry conferred by The American College. Candidates must meet education, experience, examination, and ethical requirements. Candidates must have at least three

years of experience in the financial industry, or an undergraduate or graduate degree from an accredited university and two years of experience in the financial services industry. Candidates must take nine academic courses each followed by an exam. Courses and exams cover topics in finance, investing, insurance, and estate planning, with ongoing continuing education and ethics requirements.

Ms. Hill holds the **Chartered Global Management Accountant (CGMA)** designation and became a Fellow of the Chartered Institute of Management Accountants (FCMA) in 1997. The designations identify individuals who have completed stringent accounting examinations, education, experience and ethics requirements mandated by the Chartered Institute of Management Accountants Board, which has Royal Chartered status in the United Kingdom. Candidates for fellowship must have at least three years of relevant Practical Experience Requirements (PER) that relates to management accounting at a senior level.

CGMA candidates must pass nine examinations on management accounting, decision making, risk and control, information systems, integrated management, business strategy, financial accounting and tax, financial analysis and financial strategy. CGMAs are regulated by the CIMA Board and are recognized by the American Institute of Certified Public Accountants (AICPA).

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupation not related to financial planning and wealth management.
- B. **Licensed Insurance Broker.** Ms. Hill is a licensed insurance broker, a related person of Professional Financial, and may share in compensation payable to an agent if insurance or annuities are purchased.

Conflict of Interest: The recommendation of purchasing a financial instrument presents a material conflict of interest, as the receipt of reimbursement as insurance brokers may provide an incentive to recommend products based on commissions received rather than need. However, reimbursement fees paid to a related party of Professional

Financial from non-affiliated agents will be accepted in lieu of advisory consulting fees otherwise payable to the firm. As CFP professionals and as licensed brokers in New York, related persons of Professional Financial have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of Client (based on CFP professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable insurance and annuity instruments are determined to be in a client's best interest, they will be implemented, and Client will pay the full advisory fee as agreed. NOTE: SPIA, DIA and QLAC products are not subject to ongoing AUM charges and so expected to reduce advisory fees otherwise payable over the long-term.

Professional Financial Strategies' Chief Compliance Officer, Paul Byron Hill, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Item 5/Additional Compensation

None.

Item 6/Supervision

Professional Financial Strategies, Inc. provides investment advisory and supervisory services in accordance with SEC and state regulatory requirements. Professional Financial Strategies' *Chief Compliance Officer*, Paul Byron Hill, is primarily responsible for overseeing the activities of the Professional Financial Strategies' supervised persons.

Mr. Hill also monitors client accounts and conducts client account reviews on at least an annual basis. Should a client have any questions regarding Professional Financial's supervision or compliance practices, please contact Mr. Hill at (585) 218-9080.

Item 1/Cover Page

Professional Financial Strategies, Inc. **Firm Supplement**

Dated March 30, 2021



Peter C. Van Der Voorn

This brochure supplement provides information about Peter C. Van Der Voorn that supplements the Professional Financial Strategies, Inc. brochure. You should have received a copy of that brochure. Please contact Paul Byron Hill, *Chief Compliance Officer* if you did not receive Professional Financial Strategies' brochure or if you have any questions about the contents of this supplement.

Additional information about Peter C. Van Der Voorn is available on the SEC's website at www.adviserinfo.sec.gov.

Contact: Paul Byron Hill,
Chief Compliance Officer
1159 Pittsford-Victor Road, Suite 120
Pittsford, New York, 14534

Background and Business Experience

Peter C. Vandervoorn was born in 1940. Mr. Vandervoorn graduated from Wichita State University with a degree in Chemistry. Mr. Vandervoorn earned his PhD in Chemistry from The University of Illinois, Champaign-Urbana. Mr. Vandervoorn has been employed as a wealth consultant of Professional Financial Strategies, Inc. since 2000. Mr. Vandervoorn is employed part-time by H&R Block for income tax preparation.

Mr. Vandervoorn has been a **CERTIFIED FINANCIAL PLANNER™** since 2001. The Certified Financial Planner Board of Standards, Inc. ("CFP Board") authorizes use of the CFP® marks by individuals who successfully complete the CFP Board's initial and ongoing certification requirements.

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete a college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services or an accepted equivalent, including [completion of a financial plan development capstone course](#), and attain a Bachelor's Degree from an accredited college or university.

CFP Board's financial planning subject areas include professional conduct and regulation, general principles of financial planning, education planning, risk management and insurance planning, investment planning, income tax planning, retirement savings and income planning, and estate planning;

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – CFP Board requires 6,000 hours of experience through the Standard Pathway, and
- **Ethics** – Agree to be bound by CFP Board's *Code of Ethics and Standards of Conduct*, which put clients' interest first; acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*; comply with the *Financial Planning Practice Standards* which determine what clients should reasonably expect from the financial planning engagement and complete a CFP® Certification Application which requires disclosure of an individual's background, including involvement in any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry, bankruptcy, customer complaint, filing, termination/internal reviews conducted by the individual's employer or firm.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours accepted by the CFP Board every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – CFP® professionals agree to adhere to the high standards of ethics and practice outlined in CFP Board's *Code of Ethics and Standards of Conduct* and to acknowledge CFP Board's right to enforce them through its *Disciplinary Rules and Procedures*. The *Code of Ethics and Standards of Conduct* require that CFP Professionals provide financial planning services in the best interests of their clients.
- **Certification Application** – Properly complete a Certification Application to (i) acknowledge voluntary adherence to the [terms and conditions of certification with CFP Board](#) and (ii) disclose any involvement in criminal and civil proceedings, inquiries or investigations, bankruptcy filings, internal reviews and customer complaints.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

You may [verify an individual's CFP®](#) certification and background through the CFP Board. The verification function

will allow you to verify an individual's certification status, CFP Board's disciplinary history and any bankruptcy disclosures in the past ten years. Additional regulatory information may also be found through [FINRA'S BrokerCheck](#) and the [SEC's Investment Adviser Public Disclosure databases](#), which are free tools that may be used to conduct research on the background and experience of CFP® professionals, including with respect to employment history, regulatory actions, and investment-related licensing information, arbitrations, and complaints.

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations not related to financial planning other than income tax preparation.
- B. The supervised person is seasonally engaged in a non-investment-related business or occupation for compensation with H & R Block as a personal income tax preparer.

Item 5/Additional Compensation

None.

Item 6/Supervision

Professional Financial Strategies, Inc. provides investment advisory and supervisory services in accordance with SEC and state regulatory requirements. Professional Financial Strategies' *Chief Compliance Officer*, Paul Byron Hill, is primarily responsible for overseeing the activities of the Professional Financial Strategies' supervised persons.

Mr. Hill also monitors client accounts and conducts client account reviews on at least an annual basis. Should a client have any questions regarding Professional Financial's supervision or compliance practices, please contact Mr. Hill at (585) 218-9080.