



Form ADV Part 2A

Appendix 1

Wrap Fee Program Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Plotkin Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact Sarah Hunt, Chief Compliance Officer, at (301) 907-9790 and/or [shunt@pfallc.com](mailto:shunt@pfallc.com). Plotkin Financial Advisors, LLC is a registered investment adviser. Any references to Plotkin Financial Advisors, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or by any state securities authority.

Additional information about Plotkin Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about any persons affiliated with Plotkin Financial Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of Plotkin Financial Advisors, LLC.

## Item 2 – Material Changes

This section of the Brochure describes any material changes relating to Plotkin Financial Advisors, LLC that clients should be aware of since the last annual update to this Brochure. The date of our last annual Disclosure Brochure was June 25, 2020. The changes made to the Brochure dated June 25, 2020 are as follows:

- Item 4 – PFA currently has been notice filed in the following jurisdictions, which remain active: California, Colorado, District of Columbia, Florida, Maryland, New York, Pennsylvania and Virginia. The firm has two offices, one located in Maryland and one located in Florida.
- Item 4 – This brochure was updated with information regarding how the initial advisory fee for new clients is charged. The initial advisory fee for accounts established during a calendar quarter will be stated and charged the first full calendar quarter unless the account is opened within the first 10 days of the quarter during which it will be charged a prorated portion of the fee for the current quarter.
- Item 5 – Revised minimum requirement for new clients. PFA generally prefers clients deposit a minimum of \$500,000 (cash or securities) to brokerage accounts in order to participate in investment advisory services offered by PFA. The minimum accounts size of \$500,000 is based on an aggregated portfolio value of accounts under management with PFA. Clients are advised that when investing less than the preferred minimum performance can suffer due to difficulties with diversifying smaller accounts and due to risk controls being compromised.

We will provide a summary of any material changes to this and subsequent brochures within 120 days of the end of each fiscal year. We may provide ongoing disclosure information about material changes made during the year as necessary.

Our Brochure may be requested free of charge by contacting Sarah Hunt, Chief Compliance Officer, at (301) 907-9790 and/or [shunt@pfallc.com](mailto:shunt@pfallc.com), or by visiting our website [www.pfallc.com](http://www.pfallc.com).

### **Item 3- Table of Contents**

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Services, Fees and Compensation .....	4
Item 5 – Account Requirements and Types of Clients.....	9
Item 6 – Portfolio Manager Selection and Evaluation.....	10
Item 7 – Client Information Provided to Portfolio Managers.....	11
Item 8 – Client Contact with Portfolio Managers.....	11
Item 9 – Additional Information.....	12

## Item 4 – Services, Fees and Compensation

### Firm Description

Plotkin Financial Advisors, LLC (PFA) is an SEC- registered investment adviser with our principal place of business located in Chevy Chase, Maryland. The firm was established in 2003 by Shimshon Plotkin, who is the full owner. We became registered with the SEC in 2015. Under state laws, SEC registered advisers may be required to provide to state securities authorities a copy of the Form ADV and any amendments they file with the SEC. These are called notice filings. PFA currently has been notice filed in the following jurisdictions, which remain active: California, Colorado, District of Columbia, Florida, Maryland, New York, Pennsylvania and Virginia. The firm has two offices, one located in Maryland and one located in Florida. As used in this brochure, the words "we," "our," and "us" refer to Plotkin Financial Advisors, LLC (PFA) and our Investment Adviser Representatives and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

PFA is the portfolio manager to and sponsor of a wrap fee program to provide portfolio management services to individuals through Charles Schwab and Co. (Schwab). A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program. Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### *Schwab's Brokerage Services*

In addition to the foregoing portfolio management, the program includes brokerage services of Charles Schwab & Co., Inc. ("Schwab"), a broker/dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. Plotkin Financial Advisors is independently owned and operated and is not affiliated with Schwab. Schwab will act solely as a broker/dealer and not as an investment adviser to you. It will have no discretion over your account and will act solely on instructions it receives from us or you. Schwab has no responsibility for our services and undertakes no duty to you to monitor our management of your account or other services we provide to you. Schwab will hold your assets in a brokerage account and buy and sell securities and execute other transactions when we or you instruct them to. While we recommend that you use Schwab as custodian/broker to participate in our program, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with Schwab, then we cannot manage your account in the program. Not all advisers

require their clients to use a particular broker/dealer or other custodian selected by the adviser. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below.

Schwab executes trades, settles securities transactions and maintains custody of client assets for advisory accounts on behalf of PFA. Client's portfolio will be allocated among cash, stocks, bonds, exchange traded funds (ETFs), alternative investment products and other securities. PFA's compensation in a wrap account is the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted (i.e. transaction costs). There is no significant difference between how PFA manages wrap fee accounts and non-wrap fee accounts.

We tailor the advisory services we offer to the individual needs of our clients. A client interested in any of our company's services will begin by having one or more meetings with one of our investment advisory representatives. We use these meetings to gather information such as: retirement and financial goals, investment objectives, risk tolerance, time horizon, financial needs, cash flow needs, estate planning objectives, and additional information to help us review a client's current financial and investment situation and expectations of a relationship with PFA. We will then evaluate a client's current investment strategy and financial situation and develop recommendations including investment strategies, asset allocation, and insurance and estate planning if applicable. The investment advisory representative will then present the recommendations to the client. The decision to implement any of the recommendations is entirely up to you as the client. You may also impose restrictions and/or limitations on investing in certain securities or types of securities.

### Portfolio Management Services

Each client's portfolio is customized to the client. For clients interested in portfolio management services an investment advisor representative (IAR) will gather information about the client's financial condition, investment objectives, risk tolerance, time frame, and other information in the PFA Client Profile Form. PFA will examine a client's entire investment portfolio, including taking into consideration the client's employer retirement accounts, if possible, and design an asset allocation specific to the client. PFA provides its IARs with model portfolios that may be utilized as guidelines. Advisors can use the models, modify them or not use them at all. PFA's objective is to establish a suitable allocation for the client across all the client's investment holdings in an attempt to reduce risk and market volatility.

PFA offers asset management services on a discretionary and nondiscretionary basis. If discretionary authority is granted, PFA may purchase or sell investments on behalf of the client without obtaining prior consent for each transaction. Discretionary authority will be granted to PFA by execution of the Investment Advisory Agreement. If nondiscretionary service is elected, no changes will be made to the allocation of the account without prior consultation and expressed agreement. PFA will provide continuous and ongoing management of your account.

### Additional Services

Based on a client's individual needs, PFA provides the following additional services:

**Estate Planning** – Coordinate estate planning documents. Assist others in implementation of recommendations that minimize tax consequences and create a more efficient disposition of assets. PFA and its investment adviser representatives do not prepare estate planning documents or provide legal advice. Fees for this service are in addition to legal fees from third parties, all of which will be borne by the client.

**Insurance Counseling** – Identify life insurance needs, evaluate and coordinate existing insurance coverage. All insurance selections are the responsibility of the client. Investment adviser representatives may be compensated in their separate capacity as insurance agents for any policies that are sold, in addition to the fee for this service. Any other incidental insurance costs or legal fees from third parties are the responsibility of the client.

**Tax Planning** – Provide general information on tax consequences and strategies. PFA and its investment adviser representatives do not prepare tax returns or provide tax advice. Client will need to refer to their tax professional for specific advice and any incidental fees charged are in addition to the fees for this service. Clients are advised to consult with their tax professionals and attorneys for all specific tax and legal matters.

Clients with fee-based assets under management of \$1 million or more with PFA are eligible for the PFA Signature Services Program. Limits are negotiable for clients with fee-based assets under management with PFA of \$5 million or more. Upon an eligible client's request, PFA will agree to pay a portion of the preparation fees for the following:

- Preparation and/or amendment of U.S. person wills. (not to exceed \$2,000 every 5 years)
- Preparation of U.S. personal tax returns. (not to exceed \$1500 per year)

We offer financial planning services which may be comprehensive or limited in scope depending on a client's particular needs. The financial plan may include, but is not limited to, review and prioritization of a client's goals and objectives, development of a net worth statement, cash flow summary and insurance analysis, review of investment holdings, and development of an investment management strategy. A financial plan may also include financial projections and analysis, in addition to education funding, tax, retirement and estate planning analyses.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to PFA. Clients are advised to consult with their tax professional and attorneys for all specific tax and legal matters. Clients are also advised to notify us immediately of changes to their financial status, goals, risk tolerance, or any other items of relevance that could impact the advice provided in their financial plan.

You do not have to implement the financial plan or advice provided by PFA. However, if you do utilize our services in implementing all or a portion of the financial plan, PFA and/or its advisory representatives will receive additional compensation.

### Fees

Plotkin Financial Advisors is compensated through an annualized asset-based fee, which will be paid quarterly in advance, as indicated in the table below.

<u>Portfolio Value</u>	<u>Annual Wrap Advisory Fee</u>
\$0 - \$2,500,000	1.10%
\$2,500,000 - \$5,000,000	1.00%
Over \$5,000,000	Negotiable

The advisory fee is debited directly from advisory accounts by the custodian (Schwab) and remitted to PFA per the client's advisory contract and provided the client has given PFA written authorization. Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. The management fee is a percentage of the market value of the assets in the account and is agreed upon with the client in the asset management contract prior to the onset of service. The account management fee will be payable quarterly in advance and will be calculated as a percentage of the market value of all assets in the account on the last business day of each calendar quarter. The initial advisory fee for accounts established during a calendar quarter will be stated and charged the first full calendar quarter unless the account is opened within the first 10 days of the quarter during which it will be charged a prorated portion of the fee for the current quarter. Fees are calculated on margin accounts by using the value of the account which includes the margin. The value will be higher than the market value of the account resulting in an increased fee.

PFA, its advisors, or the client may terminate this fee-based relationship at any time by providing written notification to the other. In such a circumstance, the quarterly fee will be pro-rated based on the number of days the account was open during the current quarter and the client will be refunded any pre-paid, unearned fees. No fee adjustments will be made for additional deposits to the account or partial withdrawals from the account or for Account appreciation or depreciation during the calendar quarter. PFA aggregates all your managed accounts together to determine your annual wrap advisory fee. PFA can change the above fee schedule upon 30-days prior written notice to you. An account statement will be provided reflecting the deduction of the advisory fee direct from the account custodian. If the Account does not contain sufficient funds to pay advisory fees, PFA has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. The client may reimburse the account for advisory fees paid to PFA, except for ERISA and IRA accounts.

Fees for financial planning services are covered by the fees charged for portfolio management services described above. PFA does not charge additional fees for financial planning services.

#### Relative Cost of Wrap Fee Program to You

The program will cost you more or less than purchasing our investment advice and Schwab's brokerage services separately. The relative cost of our wrap fee program to you is influenced by various factors, including the cost of our investment advice, other wealth management services and Schwab's brokerage services if you purchased them separately, the types of investments held in your account, and the frequency and size of trades we make for your account. In addition to the costs described above, we pay Schwab certain other fees that it would otherwise charge you. These fees include (a) flat dollar per trade fees for Schwab's prime brokerage and trade away services (through which we can have trades for your account at Schwab executed by broker-dealers other than Schwab), (b) custody and setup fees for alternative investments (such as non-standard assets, non-publicly traded limited partnership interests, foreign securities, non-marketable securities, etc.).

*Additional Investment Fees:* Clients will indirectly incur certain fees and expenses for investments made for the Account in mutual funds, ETFs, money market funds, and other Assets. The fees and expenses are paid by the respective fund and are borne by all fund shareholders owning the same class of share which can include, but are not limited to, mutual fund servicing fees, sub-accounting fees, management fees, custody, portfolio transaction execution costs, administration fees, distribution fees, and shareholder servicing fees. Fees and expenses charged by these securities are deducted from each fund's net asset value and as such, are an indirect expense of the client. Finally, these types of investments can be purchased directly, without being managed by PFA pursuant to this Agreement which may cost the client more or less.

*Additional Fees and Expenses:* Other administrative fees charged for wire transfers and check writing services are not included in PFA's advisory fee. By investing with certain third-party money managers and/or by making direct investments, client may incur fees, brokerage commissions, transaction fees, manager's fees, custody fees, and other related costs and expenses. Such third-party charges, fees and commissions are exclusive of and in addition to PFA's Advisory Fee.

*Commission Assets Excluded from Advisory Fees:* Advisory accounts may hold assets or products that were sold to the client by PFA representatives in their separate capacity as registered representatives and therefore charged a commission. The commissions are charged by our selected Broker-Dealer, currently Independent Financial Group ("IFG"), and a portion of these commissions gets paid to PFA representatives in their separate capacities as registered representatives. These commissions are exclusive of, and in addition to, PFA's portfolio management fees. This means assets that were charged the commission, will not be charged the ongoing asset management fee. The commissions and fees assessed by our chosen Broker-Dealer may be higher or lower than what is otherwise available through other broker-dealers. Advisory Representatives of PFA are dually registered representatives of Independent Financial



Group, LLC (“IFG”), a registered broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and SIPC. Advisory Representatives of PFA, who are Registered Representatives, receive trail commissions (i.e. 12b-1 fees) for a period of time as a result of directing securities transactions through IFG. Certain load and no-load mutual funds pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from the client’s assets. 12b-1 fees are initially paid to IFG and a portion passed to the Advisory Representatives. The receipt of such fees represents an incentive for the Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees.

*Advisory Fees in General:* Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Depending on the trading activity and the transactions costs we incur, we may receive more compensation from your participation in our wrap fee program than if you purchased our investment advisory services and Schwab’s (or another broker/custodian’s) services separately.

These practices and our arrangement with Schwab present a conflict of interest and give PFA an incentive to recommend our services and Schwab’s services, regardless of a client’s needs. PFA will attempt to mitigate conflicts of interest by:

- Informing you of conflict of interest in this Disclosure Brochure.
- Maintaining and abiding by our Code of Ethics which requires us to place your interest first and foremost.
- Routine review of transactions and our relationship with the broker/custodian
- Advising you of the right to decline to implement our recommendations and the right to choose other financial professionals for implementation.
- Recognizing and advising you PFA is a fiduciary and has an obligation to conduct its business in the best interest of its clients and not in PFA’s interest.

## **Item 5 – Account Requirements and Types of Clients**

PFA offers and/or provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals (clients with a net worth of at least \$2,000,000, exclusive of primary residence or has at least \$1,000,000 under management with PFA)
- Corporations or other businesses not listed above
- Pension and profit-sharing plans

PFA generally prefers clients deposit a minimum of \$500,000 (cash or securities) to brokerage accounts in order to participate in investment advisory services offered by PFA. The minimum accounts size of \$500,000 is based on an aggregated portfolio value of accounts under management with PFA. Clients are advised that when investing less than the preferred minimum performance can suffer due to difficulties with diversifying smaller accounts and due to risk controls being compromised.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Portfolio management is provided by advisory representatives of PFA. PFA does not engage third party managers to manage any portion of your assets within the wrap account. PFA determines the securities and the allocation of your managed account. No one person solely makes investment decisions. Investment decisions are made as a group based on research and discussion. Acting as our own portfolio managers for the wrap fee programs may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. We do not calculate portfolio manager performance.

### Performance-Based Fees and Side-By-Side Management

PFA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets), nor does it provide side by side management.

### Methods of Analysis

PFA conducts a variety of analyses to determine the portfolio allocations and holdings. PFA conducts fundamental, technical and cyclical analysis. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns. Cyclical analysis is attempting to determine the patterns of how the economy and/or the market affect a security and attempt to determine the highs and lows of the security.

PFA receives a variety of research and information from investment companies, in addition to information obtained from annual reports, prospectuses, filings with the SEC, financial newspapers and magazines, research providers and broker-dealers with whom we have a relationship. All of this information is used in order to develop investing strategies for each client's financial situation.

### Investment Strategies

PFA uses the generally accepted principles of asset allocation to construct diversified portfolios that have efficient characteristics of risk and return, which means evaluating the volatility of various investment options and how they behave when combined. Asset allocation requires an understanding of client specific issues and consideration of the economic and market environment. PFA utilizes a longer-term investment focus that seeks to achieve consistent, risk-

adjusted returns. PFA follows a philosophy of evaluating the global landscape of information and investment opportunities. In constructing portfolios, PFA performs due diligence on a variety of offerings such as direct investments, individual securities, professional money managers, index funds, and alternative investments. While there are usually some risk-reducing advantages to combining different asset types, the primary goal of diversification is to combine assets in a way that seeks to yield the least amount of risk for a given level of expected return.

### Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### Voting Client Securities

As a matter of firm policy, we do not vote proxies or class action lawsuits on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, class action lawsuits tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Securities proxies will be sent directly to the client by the account custodian or transfer agent. Clients may contact PFA with questions and for opinions on how to vote the proxies. However, the voting and how the client votes the proxies is solely the client's decision.

### **Item 7 – Client Information Provided to Portfolio Managers**

Your financial history and information and personal information such as social security number, identify verification information, account numbers, etc. will be gathered and obtained by your Advisory Representative. The aforementioned information will be communicated as required to the account custodian you select to establish your account. Your non-public information will not be disclosed to any third party unless required by law or to provide you the services you have requested.

### **Item 8 – Client Contact with Portfolio Managers**

There are no restrictions or limitations on your ability to contact your Advisory Representative or any member of the PFA management team. You along with your Advisory Representative determine the frequency of meetings and reviews.

## Item 9 – Additional Information

### Disciplinary Information

Investment advisers registered with the SEC are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

There are no reportable material legal or disciplinary events related to PFA. We have no information currently applicable to this item.

### Other Financial Industry Activities and Affiliations

#### *Broker Dealer Affiliation*

As previously stated, Advisory Representatives are dually registered as an advisory representative of PFA and as a registered representative of Independent Financial Group, LLC (“IFG”). IFG’s principal business is a full services general securities broker-dealer registered with the Securities and Exchange Commissions, FINRA, and various other regulatory bodies. IFG is also an SEC registered investment adviser. As a result of this affiliation PFA’s investment advisory representatives can provide brokerage services and may sell brokerage related products or services to their clients on a transactional basis for commission.

Some of PFA’s investment adviser representatives are also licensed as insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance-related products.

Clients are not obligated to use any PFA’s investment adviser representatives or IFG for any security transaction. If clients decide to use PFA’s representatives to effect security transactions, they should be aware that IFG does have the contractual and compliance authority to place limitations on the vendors and product lines that the registered representative may use when conducting commission-based business. This creates a conflict of interest because PFA may not be able to consider all available alternatives when making a securities or insurance product recommendation.

Clients should understand that this purchasing or selling of securities and/or insurance on a commission basis is conducted in these other capacities (as a registered representative for securities transactions and as a licensed insurance agent for insurance transactions) and are not part of the investment advisory services offered by PFA. This creates a conflict of interest because the receipt of additional compensation by PFA and its investment adviser representatives is a financial incentive that may impair the objectivity of our firm and these individuals when making advisory recommendations.

Under the rules and regulations of FINRA, IFG has an obligation to perform certain supervisory functions regarding certain activities engaged in by advisory representatives who are also

registered representatives of IFG. For such supervisory functions, PFA pays IFG a portion of the advisory fees they receive. IFG and PFA are not affiliated entities.

### *Tender Offers*

With respect to the following section, the term “registered representatives” refers to PFA’s advisory representatives in their capacity as registered representatives of Independent Financial Group, LLC. Registered representatives have in the past recommended to clients the purchase of non-traded real estate investment trusts (REITs) and received a commission from the sale of REITs. Registered representatives assist an institutional client in making tender offers to investors in certain non-traded REITs to purchase their shares or units of the REIT. These investors include clients of PFA. Registered representatives will receive commissions as a result of the institutional client engaging in a purchase transaction in accepted tender offers. This is a conflict of interest since registered representatives have an interest in recommending to clients that they purchase REITs and encouraging the institutional client to make a tender offer since they will receive compensation on both transactions. PFA and its advisory representatives do not currently recommend the purchase of non-traded REITs to retail customers. To mitigate any conflict of interest, PFA and its advisory representatives do not advise clients on any tender offers made by its institutional client. PFA addresses these and other conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each client. PFA has a fiduciary obligation to each client. Clients are under no obligation to participate in a tender offer and are encouraged to seek the advice from another financial professional before electing to accept a tender offer.

### *Related Party Affiliations*

Monarch Global Partners Ltd. is owned by Monarch Global Partners, LLC, which is indirectly owned by Shimshon Plotkin, sole owner and advisory representative of PFA, and Ittai Dvir, an advisory representative of PFA. Monarch Global Partners acts as a marketing company on behalf of First Trust Portfolios, L.P. Monarch Global Partners markets the First Trust exchange traded funds to institutions in Israel. Monarch Global Partners will be compensated for marketing services by receiving compensation from First Trust based on a percentage of the First Trust exchange traded fund sales in Israel. This is a conflict of interest to suggest First Trust exchange traded funds over other securities to clients in Israel since Monarch will receive compensation as a result of sales in Israel. In general, Shimshon Plotkin and Ittai Dvir expect to conduct its activities in a manner that is separate and independent from the activities of Plotkin. Plotkin’s principals and employees owe a fiduciary duty to clients of Plotkin and have a duty to act in the best interests of each Client.

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

PFA maintains a Code of Ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material

non-public information. Further, PFA's Code of Ethics establishes PFA's expectation for business conduct. PFA has a fiduciary duty to act in the client's best interest and always place their interests first and foremost. PFA takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as PFA's policies and procedures. A copy of our Code of Ethics is available to our advisory clients and prospective clients and will be provided to you upon request.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Our firm and/or individuals associated with our firm may buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. PFA and its associated persons will not put their interests before the client's interest. PFA and its associated persons will not trade in a manipulative manner, in a way to harm clients, and/or in a way that violates insider trading policies. Neither PFA nor its associated persons recommend to clients or buys or sells for client accounts any securities in which we have a material financial interest.

Our Code of Ethics includes policies and procedures for review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions

#### Review of Accounts

Clients are encouraged to participate in a review with investment adviser representative at least annually. For all investment advisory services, PFA reviews individual accounts on a periodic basis to ensure that portfolios match the client's financial and account profile on file. In addition to these reviews, a review of an individual account could also be triggered by market, political and economic events, personal variables (such as retirement, termination of employment, physical move, or inheritance), or by client request. Upon each review, as deemed appropriate, portfolios may or may not be adjusted.

The following individuals conduct reviews:

- Shimshon Plotkin, Advisory Representative
- Ittai Dvir, Advisory Representative
- Erich Imphong, Advisory Representative

Clients will be provided statements at least quarterly direct from the account custodian. Additionally, client will receive confirmations of all transactions occurring direct from the account custodian. At least annually when clients attend the annual review, PFA will provide a

consolidated report of their managed accounts. Any statements or reports supplied by PFA do not replace the statements or reports issued by the corresponding custodian and should be checked against the custodian statement for accuracy.

#### Client Referrals and Other Compensation

##### *Schwab*

PFA receives an economic benefit from Schwab and other financial institutions in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab’s or other company’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

##### *IFG*

IFG offers incentives to attend certain conferences based on achieving production thresholds. There is no requirement to sell a certain product or amount of a specific product. Qualification for trips and conferences is based on overall production and meeting the production levels determined by IFG. If the thresholds are satisfied, IFG can cover certain travel and conference costs.

##### *Client Referrals*

PFA compensates several marketing firms for leads. The marketing firms do not send prospects to PFA directly. The prospects are provided the names of several investment firms that may fit their criteria (e.g. location, services, etc.) and the prospect decides which firm to engage. PFA compensates the marketing company on either a per-lead or a flat fee basis in accordance with the contract in place with that marketing firm. PFAs advisors may choose to pursue all leads provided, set limits on the type of leads provided, or not use these programs at all.

Associated persons of PFA, either acting as associated persons of PFA or as registered representatives of Independent Financial Group, LLC, from time to time interact with individuals (“Solicitors”) in Israel for the purpose of referring clients. These dealings are subject to certain FINRA rules, as well as SEC rules governing investment advisers. PFA enters into arrangements with Solicitors whereby the Solicitors will refer clients who are a candidate for investment advisory services to PFA. In return, PFA will agree to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with PFA for advisory services. Compensation to solicitor will be an agreed upon percentage of the total investment amount transferred or deposited to the custodian account and maintained in the account. The solicitation/referral fee is paid pursuant to a written agreement retained by both the investment adviser and the Solicitor. The Solicitor will be required to provide the client with a copy of PFA’s Disclosure Brochure and a Solicitor Disclosure prior to or at the time of



entering into any investment advisory contract with PFA. Solicitor is not permitted to offer clients any investment advice on behalf of PFA. Clients' advisory fee will not be increased as a result of compensation being shared with Solicitor

#### *Other Compensation*

Product vendors such as First Trust recommended by PFA provide monetary and non-monetary assistance with client events, provide educational tools and resources. PFA does not select products as a result of any monetary or non-monetary assistance. The selection of product that is in the client's best interest is first and foremost. PFA's due diligence of a product does not take into consideration any assistance it may receive. It is considered by regulators to be a conflict of interest for an investment adviser such as PFA to receive monetary and/or non-monetary assistance from product vendors even if for the direct or indirect benefit of the investment adviser's clients.

PFA has agreements with various alternative investment sponsors for exclusivity to offer alternative investment products to Israeli citizens, including an exclusivity agreement with Central, Trade and Transfer for transactions in the secondary market in Israel. Additionally, many of the alternative investment sponsors pay a marketing allowance to advisory representatives who are registered representatives for any units of the programs purchased by international investors. This is a conflict of interest. To help mitigate this conflict of interest, all sales of units of any alternative investment must flow through the broker/dealer with which the advisory representative is registered, and the applications go through a suitability review.