

Registered as: Wealth Builder Consulting Group, Inc.

# MASTERS CONSULTING GROUP

A REGISTERED INVESTMENT ADVISOR

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## Form ADV Part 2A – Disclosure Brochure

**Effective: March 24, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Wealth Builder Consulting Group, Inc. (“Masters Consulting Group” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (440) 285-7777.

Masters Consulting Group is a registered investment advisor located in the State of Ohio. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Masters Consulting Group to assist you in determining whether to retain the Advisor.

Additional information about Masters Consulting Group and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 173630.

**Masters Consulting Group**

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<http://www.mastersconsultinggroup.com>

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Masters Consulting Group. For convenience, we have combined these documents into a single disclosure document.

### Material Changes

There have been no material changes to this Disclosure Brochure since the last annual filing on 03/12/2020.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 173630. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (440) 285-7777.

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## Item 4 – Advisory Services

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### A. Firm Information

Wealth Builder Consulting Group, Inc. (“Masters Consulting Group” or the “Advisor”) is a registered investment advisor located in the State of Ohio, which is organized as a Corporation under the laws of the State of Ohio. The firm was organized by F. Patrick Cunnane, MBA, CIMA®, AIFA® as a legal entity on September 5, 2007 while he was acting as a Registered Representative and Investment Advisor Representative of LPL Financial. In 2015, Mr. Cunnane registered Masters Consulting Group as an independent investment advisor. Mr. Cunnane remains a Registered Representative of the LPL Financial broker/dealer and an Investment Adviser Representative of the LPL Financial SEC registered Investment Adviser.

Masters Consulting Group provides fee-based investment advisory services for compensation primarily to individual and corporate clients as well as high-net worth individuals based on the individual or corporate goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

### Management

**F. Patrick Cunnane**, brings more than 25 years of experience as a corporate retirement specialist serving business owners and individuals seeking objective financial guidance from a fiduciary perspective. For more than a decade, he has focused on advising clients throughout major shifts in the financial, economic and retirement plan landscapes. Mr. Cunnane also has three patents, as well as several patents pending, all of which are energy-related. As the author of two books: *The Source of Wealth* and *The Physics to Economics Model (PEM)*.

As a Portfolio Manager, he consults with corporations of all sizes, from medical groups to leading manufacturers. He leads a team of experienced financial advisors adept in analyzing each organizations’ retirement plan needs, researching and benchmarking plan providers, and recommending appropriate retirement plan strategies, including 401(k), profit-sharing and defined benefit plans, and SIMPLE and SEP IRAs.

As an Accredited Investment Fiduciary Analyst™ (AIFA®), ERISA 3(21) fiduciary advisor and 3(38) investment manager, Pat adheres to a prudent process in providing fiduciary guidance and oversight in the development of investment policy statements, and investment selection and monitoring. He completed his Investment Management Consultants Association (IMCA) Certification and the Alternative Investments Program through the Wharton Business School at the University of Pennsylvania. Pat received his Masters of Business Administration from Bellarmine University in 1985. He is a strong advocate of education and regularly attends continuing education seminars and workshops to bring his clients the latest insight on industry trends and regulatory developments. Pat has been featured on numerous radio programs throughout the country to discuss his vast experience in the 401(k) and retirement plan field, and is the author of *The Source of Wealth*. He also served on the editorial board of the Investment Management Consultants Associate through The Wharton Business School at the University of Pennsylvania. Pat has also written on the theories on energy and has a patent for hydro-electric generation.

### Investment Advisor Representatives

Investment Advisor representatives of Masters Consulting Group are restricted to providing services and charging fees based on total assets under management for advisory business in accordance with the descriptions detailed in the account agreement. Advisors are instructed to consider the individual needs of each client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each client. Individuals associated with Masters Consulting Group are also registered representatives of LPL Financial, an SEC registered broker/dealer, a member of the Financial Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”). Any securities transactions shall be directed to LPL Financial for execution. Masters Consulting Group and LPL Financial are not affiliated legal entities.

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- The firm is compensated based on a percentage of total assets under management and or an hourly fee.
- The individuals associated with Masters Consulting Group are appropriately licensed, and authorized to provide advisory services on behalf of Masters Consulting Group.

If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering a written contract, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract.

## **B. Advisory Services Offered**

### **Asset Management**

Masters Consulting Group through its investment advisor representatives provides ongoing investment advice and management on assets in the client's custodial Strategic Wealth Management (SWM) account held at LPL Financial. Strategic Wealth Management is the name of the custodial account offered through LPL to support investment advisory services provided by Masters Consulting Group to our clients. More specific account information and acknowledgements are further detailed on the account application. Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile. A minimum account value of \$25,000 is generally required for the program. In certain instances, Masters Consulting Group will permit a lower minimum account size.

- Masters Consulting Group's investment strategy[ies] is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions.
- Masters Consulting Group will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client.
- Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.
- Masters Consulting Group evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process.
- Masters Consulting Group may recommend, on occasion, redistributing investment allocations to diversify the portfolio.
- At no time will Masters Consulting Group accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees.
- All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement. Please see "Item 12 – Brokerage Practices."

### **LPL Financial Sponsored Platforms**

**Strategic Wealth Management (SWM)** is the name of the custodial account offered through LPL to support investment advisory services provided by Masters Consulting. Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. The

advice is tailored to the individual needs of the client based on the investments and financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile. More specific account information and acknowledgements are further detailed on the account application.

- A minimum account value of \$25,000 is generally required for the program. In certain instances, Masters Consulting will permit a lower minimum account size.

LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. Masters Consulting Group and LPL share in the account fee and other fees associated with program accounts. Associated persons of Advisor may also be registered representatives of LPL.

### **Financial Planning Services**

As part of our financial planning services, Masters Consulting Group, through its investment advisor representatives, provides personal financial planning tailored to the individual needs of the client. These services include, as selected by the client on the financial planning agreement such as tax planning, investment planning, retirement planning, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning.

- The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data.
- The financial plan may include generic recommendations as to general types of investment products or specific securities which may be appropriate for the Client to purchase given his/her financial situation and objectives.
- Clients are under no obligation to act upon the investment adviser's recommendation or to purchase securities through Masters Consulting Group and the IAR.

However, if the Client desires to purchase securities or advisory services in order to implement his/her financial plan, Masters Consulting Group may make a variety of products and services available through its IARs. This will result in the payment of normal and customary commissions, advisory fees or other types of compensation to Masters Consulting Group and the IAR. A conflict exists between the interests of the investment adviser and the interests of the client. Depending on the type of account that could be used to implement a financial plan, such compensation may include (but is not limited to) advisory fees, commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund, managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with an insured deposit account program; marketing support payments from mutual fund, annuity and insurance sponsors; administrative servicing fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by Masters Consulting Group to the IAR.

To the extent that an IAR recommends a client invest in products and services that will result in compensation being paid to Masters Consulting Group and the IAR, this presents a conflict of interest. This compensation to IAR and Masters Consulting Group may be more or less depending on the product or service that IAR recommends. Therefore, the IAR has a financial incentive to recommend that a financial plan be implemented using a certain products and/or services over another product or service.

- Masters Consulting Group may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation.
- For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations.
- For consulting or ad-hoc engagements, the Advisor may not provide a written summary.

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- Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are promptly provided.

Financial planning and consulting recommendations may pose a conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

The IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Financial planning is made available to all clients as a comprehensive service that may or may not result in a written plan. The amount of time required per plan can vary greatly depending on the scope and complexity of an individual engagement. A particular client's financial plan will include the relevant types of planning specific to their needs and objectives such as:

- **Retirement** – planning an investment strategy with the objective of providing inflation adjusted income for life.
- **College / Education** – planning to pay the future college / education expenses of a child or grandchild.
- **Major Purchase** – Evaluation of the pros and cons of home ownership verse renting as well as buying or leasing a car, for example.
- **Divorce** – planning for the financial impact of divorce such as change in income, retirement benefits and tax considerations.
- **Insurance Needs** – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent child care and spousal arrangements as well as education.
- **Final Expenses** – planning to leave assets to cover final expenses such as funeral, debts and potential business continuity.
- **Estate Planning** – planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.
- **Cash Flow/ Budget Planning** – planning to manage expenses against current and projected income.
- **Wealth Accumulation** – planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.
- **Business Succession** – planning for the continuation of a business in a smooth a transition as possible with the use of buy-sell agreements, key-man insurance and engaging independent legal counsel as needed.
- **Tax Planning** – planning a tax efficient investment portfolio to maximize deductions and offsetting losses.
- **Investment Planning** – planning an investment strategy consistent with a particular objectives, time horizons and risk tolerances.

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### **Hourly Consulting Services**

Masters Consulting Group through its investment adviser representatives, offers consulting services on an hourly basis. These services include, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. The investment advisor representatives may or may not deliver to the client a written analysis or report as part of the services.

The investment advisor representatives tailor the hourly consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client.

### **Retirement Plan Consulting Program (RPCP)**

Certain investment advisor representatives of Masters Consulting Group are dually registered as an investment advisor representative of LPL Financial to assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. Investment advisor representatives are able to perform one or more of the following services through LPL Financial (not Masters Consulting Group):

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors. •
- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Education or training for the members of the Plan investment committee with regard to various matters, including plan features, retirement readiness matters, service on the committee, and fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IARs may provide participants with information about the Plan, which may include information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, investment advisor representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan are permitted to invest the assets in their accounts through individual brokerage accounts, a mutual fund window (or other similar arrangement) or may obtain participant loans, investment advisor representatives do not provide any individualized advice or recommendations to the participants regarding these decisions.

Furthermore, investment advisor representatives do not provide under RPCP individualized investment advice to Plan participants regarding their Plan assets. The RPCP program permits clients to select a third-party investment advisor firm associated with an LPL registered representative, in lieu of an investment advisor representative, to

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provide the advisory services described in this brochure. Services provided under RPCP as an investment advisor are subject to the Investment Advisers Act of 1940 ("Advisers Act"), and the advisor is a fiduciary under the Advisers Act with respect to such services. In addition, if client elects to engage an investment advisor representative to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA.

Therefore, LPL Financial and investment advisor representatives will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent LPL Financial and IAR are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and therefore, LPL Financial and IAR will not be a "fiduciary" under ERISA with respect to those other services. From time to time LPL and/or IAR may make the Plan or Plan participants aware of and may offer services available from LPL Financial and/or IAR that are separate and apart from the services provided under RPCP. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, neither LPL Financial nor IAR is providing the services under RPCP or acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of LPL Financial or the IAR.

### C. Client Account Management

Prior to engaging Masters Consulting Group to provide investment advisory services, each Client is required to enter into an investment advisory agreement(s) that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Masters Consulting Group, in connection with the Client, will develop an investment strategy that seeks to achieve the Client's goals and destinations. The strategy is designed to address the Client's personal goals, investment goals, and both long-term and short-term objectives.
- Asset Allocation – Masters Consulting Group will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – Masters Consulting Group will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Masters Consulting Group will provide investment management and ongoing oversight of the Client's relationship's investment portfolio.

### D. Wrap Fee Programs

Masters Consulting Group does not offer a wrap fee program.

### E. Assets Under Management

As of December 31, 2019, Masters Consulting Group manages approximately the following assets:

Assets Under Management	Assets
Discretionary Assets	\$104,314,501
Non-Discretionary Assets	\$0.00
<b>Total</b>	<b>\$104,314,501</b>

Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

### **A. Fees for Advisory Services**

#### **Investment Management Services**

The specific manner in which fees are charged by the firm is established in a client's written agreement between the client and Masters Consulting Group. The firm's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the firm's management to be charged quarterly in advance. Investment advisor representatives negotiate a fee up to 2.5%.

- The advisory fee is deducted from the Account by the Account's custodian based on a written authorization from the client.
- If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

#### **Mutual Fund Share Class Disclosure and Fiduciary Duty (12b-1 Fees)**

The firm will seek to determine the most advantageous mutual fund share class available to each client. While institutional share classes are usually the lowest cost alternative, under certain circumstances clients may be better served to pay a higher annual expense ratio and avoid a transaction fee on each trade. When selecting a mutual fund for a client's advisory account, the investment advisor representative has a fiduciary duty to select the share class that helps manage the overall fee structure of the account. The overall fee structure includes such fees as: Asset Management Fees, Expense ratio, which includes 12b-1 fees, generally .25% for A shares and/or trade ticket charges.

- Investment Advisor Representatives must anticipate and monitor trading volume, and the asset management fee that is determined based on account size, complexity and time requirements.
- The firm will review mutual fund positions that clients transfer "in kind" to be included in assets managed by the firm and will advise the client as to alternatives available to them regarding share classes.
- The firm recognizes that in some situations, alternative share classes might not be available. For example, 529 and 401(k) Plans often have a limited array of investments and share classes available.
- All 12b-1 fees incurred by client accounts are retained by LPL Financial LLC (LPL) as the qualified custodian. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as the support services provided by LPL to offer the hybrid platform as well as "other expenses" such as the legal, accounting and administrative services also provided by LPL for a hybrid firm to leverage.

#### **Financial Planning Services**

Fees for financial planning services are negotiable not to exceed \$400 an hour, based on 15 minute increments, without extenuating circumstances and approval by the Chief Compliance Officer. The hourly fee will be based on the type of services to be provided, the experience and expertise required, and the sophistication and bargaining power of the client.

Financial planning may be provided based on a fixed fee for services. While individual complexities will determine the fixed fee charged, the minimum fixed fee is generally not less than \$250 and will be based on the number of hours estimated to complete the plan but not billed based on actual hours.

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The following criteria will be considered when determining the number of hours expected to create a client specific financial plan.

- Total Income (wages, investment, business, alimony, rental, etc.)
- Net Worth
- Marital Status
- Assets under Management
- Children
- Education Costs
- Timeframe
- Tax Bracket
- Risk Tolerance
- Objectives
- Account Types and Holdings
- Investment Experience Budget

### **Hourly Consulting**

The lowest hourly charge is generally not less than \$250 but in some instances may be provided at no additional cost. The negotiated fee along with the estimated number of hours will be documented on the Advisory Agreement.

### **Retirement Plan Consulting Program (RPCP)**

Clients pay LPL a fee ("RPCP Fee") for advisory and/or consulting services. LPL shares at least 90% of the RPCP Fee with the investment advisor representatives based on the agreement between LPL Financial and the investment advisor representative in their dually registered capacity. The RPCP Fee may be based on a percentage of the assets held in the Plan (up to 1.00% annually), on an hourly basis (up to \$400 per hour), or on a flat rate basis, as negotiated between the Plan and the investment advisor representative.

The RPCP Fee will be payable to LPL Financial in advance or in arrears on the frequency (e.g., quarterly, monthly, etc.) agreed upon among the client, the investment advisor representative, and LPL. If asset-based fees are negotiated, the RPCP Fee payment generally will be based on the value of the Plan assets as of the close of business on the last business day of the period as valued by the custodian of the assets. However, if the RPCP Fee is paid by the Plan or the client through a third-party service provider, such fee will be calculated as determined by the provider. If the RPCP Fee is paid prior to the services being provided, the Plan will be entitled to a prorated refund of any prepaid fees for services not received upon termination of the client agreement among the client, LPL and the investment advisor representatives. Clients incur fees and charges imposed by third-parties other than LPL Financial and investment advisor representative in connection with RPCP services. These third-party fees can include fund or annuity subaccount management fees, 12b-1 fees and administrative servicing fees, plan recordkeeping and other service provider fees. Further information regarding charges and fees assessed by a fund or annuity are available in the appropriate prospectus.

- If a client engages an investment advisor representative to provide ongoing investment recommendations to the Plan regarding the investment options (e.g., mutual funds, collective investment funds) to be made available to Plan participants, clients should understand that there generally will be two layers of fees with respect to such assets.
- The Plan will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. The client also will pay the investment advisor and the investment advisor representative the RPCP Fee for the investment recommendation services. Therefore, clients could generally avoid the second layer of fees by not using our advisory services and by making their own decisions regarding the investment.
- If a Plan makes available a variable annuity as an investment option, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.
- If a Plan makes available a pooled guaranteed investment contract (GIC) fund, there are investment management and administrative fees associated with the pooled GIC fund.

As part of the RPCP services, the investment advisor representative may recommend a mutual fund that pays asset-based sales charges or service fees (e.g., 12b-1 fees) to LPL Financial and the IAR as broker-dealer to the Plan. The receipt of 12b-1 fees presents a conflict of interest because it gives LPL Financial and the investment advisor representatives an incentive to recommend mutual funds based on the compensation received rather than

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on a client's needs. This conflict is addressed by using 12b-1 fees paid by product sponsors to LPL Financial and IAR as broker-dealer to the Plan to offset the RPCP Fee.

Clients should understand that the RPCP Fee that they negotiate with the investment advisor representatives may be higher or lower than the fees charged by other investment advisors or consultants for similar services. This is the case, in particular, if the fee is at or near the maximum fees set out above. The investment advisor representative is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided. Clients should consider the level and complexity of the consulting and/or advisory services to be provided when negotiating the fee with investment advisor representative. Clients pay the RPCP Fee by check made payable to LPL Financial LLC. In the alternative, clients also may instruct a Plan's service provider or custodian to calculate and debit the fee from the Plan's account at the custodian and pay such fee to LPL.

## **B. Fee Billing**

### Investment Management Services

Investment advisory fees are calculated and deducted by the custodian.

### Financial Planning Services

Financial planning fees are generally invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Masters Consulting Group includes securities transactions costs as part of its overall investment advisory fee through the Masters Consulting Group Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to Masters Consulting Group for investment advisory services or part of the Masters Consulting Group Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Masters Consulting Group, but would not receive the services provided by Masters Consulting Group which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Masters Consulting Group to fully understand the total fees to be paid. Please refer to "Item 12 – Brokerage Practices for additional information."

## **D. Advance Payment of Fees and Termination**

### Investment Management Services

Masters Consulting Group is compensated for its services in advance based on the account value as of the previous quarterly account value. Either party may terminate the investment advisory agreement by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior approval.

### Financial Planning Services

Masters Consulting Group is compensated for its services based on the terms of the agreement. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no

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cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engage, the percentage of the engagement scope completed. Masters Consulting Group will refund any unearned, prepaid planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior approval.

#### **E. Compensation for Sales of Securities**

Masters Consulting Group does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Certain Advisory Persons of Masters Consulting Group are also registered representatives of LPL Financial LLC ("LPL Financial"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative of LPL Financial, an Advisory Person may implement securities transactions under LPL Financial and not through Masters Consulting Group. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Person in one's capacity as a registered representative is separate and in addition to the Advisor's fees. This practice presents a conflict of interest because the Advisory Person who is a registered representative has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client. Clients are not obligated to implement any recommendation provided by the Advisor nor Advisory Persons. Neither the Advisor nor Advisory Persons will earn ongoing investment advisory fees in connection with any products or services implemented in the Advisory Person's separate capacity as a registered representative. Please see "Item 10 – Other Financial Industry Activities and Affiliations."

Certain Advisory Persons may also be licensed as independent insurance professionals. As an independent insurance professional, Advisory Persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because the person providing investment advice on behalf of the Advisor who is also an insurance agent has an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any Advisory Person affiliated with the Advisor.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

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Masters Consulting Group does not charge performance-based fees for its investment advisory services. The fees charged by Masters Consulting Group are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

Masters Consulting Group does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

#### **Item 7 – Types of Clients**

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The advisory services offered by Masters Consulting Group are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, pension and profit sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

Masters Consulting Group, LLC does not require a minimum asset amount for financial planning, hourly consulting, participant consulting or research services. For customized advisory services, any required minimum account value will be set out in the client agreement. Firm Brochure ADV Part 2A Page 16 of 21 The firm

generally provides investment advice to corporations, individuals and high net worth individuals as well as charitable organizations. The firm is currently not working with other types of clients or pursuing them as prospects but would not turn away any opportunities that may arise.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

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

Masters Consulting Group emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio of mutual funds and exchange traded funds (“ETFs”). The Advisor does not recommend individual securities, bonds, options, and other public and private securities; however, such asset classes are available. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The types of analysis include:

#### **Fundamental**

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor’s review process are included below in “Item 13 – Review of Accounts”.

#### **Technical**

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Masters Consulting Group will be able to accurately predict such a reoccurrence.

#### **Cyclical**

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Masters Consulting Group is recommending. The risks with cyclical analysis are similar to those of technical analysis.

#### **Behavioral**

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

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### **Charting**

Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The Advisor monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

As noted above, Masters Consulting Group generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Masters Consulting Group will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Masters Consulting Group may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Masters Consulting Group will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the potential speculative components of the Advisor's strategy:

- **Market Risk** – The risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. This is a risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification
- **Interest Rate Risk** – The risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** – The risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Business Risk** – The measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Taxability Risk** – The risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.

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- **Call Risk** – The risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Inflationary Risk** – The risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Liquidity Risk** – The possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Reinvestment Risk** – The risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political Risk** – The possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Legislative Risk** – The risk of a legislative ruling resulting in adverse consequences.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Private Placement Risks** – Private placements are non-public offers and are not required to comply with registration requirements based on the Securities Act of 1933 Regulation D exemption. Such investments include the risk of losing a portion or the entire principal amount invested, a lack of public information and financial disclosures as well as liquidity risks related to not being publically traded.
- **Concentrated Portfolios** - Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.
- **Frequent Trading** - Frequent trading in securities can result in higher transaction costs in the Client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.
- **Real Estate Investment Trusts ("REITs")** - Investing in Real Estate Investment Trusts ("REITs") involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

### Types of Investments (Examples, not limitations)

The asset type and concentration will vary per client based on individual account objectives, time horizons and risk tolerances. Below is a list of investment types made available to clients of Masters Consulting Group.

- **Mutual Funds** – A pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
    - **Open-End Mutual Funds** – A type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell.
- Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in

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mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature

- **Closed-End Mutual Funds** – A type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.
- **Unit Investment Trust (UIT)** – An investment company that offers a fixed, unmanaged portfolio, generally of stocks and bonds, as redeemable "units" to investors for a specific period of time. It is designed to provide capital appreciation and/or dividend income. UITs can be resold in the secondary market. A UIT may be either a regulated investment corporation (RIC) or a grantor trust. The former is a corporation in which the investors are joint owners; the latter grants investors proportional ownership in the UIT's underlying securities.
- **Equity** – Investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange Traded Funds (ETFs)** – An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Exchange-Traded Notes (ETNs)** – An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- **Fixed Income** – Investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the

fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

- **Structured Products** – Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.
- **Hedge Funds and Managed Futures** – Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Annuities** – Are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Variable Annuities** – If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Non-U.S. Securities** – Present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

- **Margin Accounts** – Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.
- **Real Estate Investment Trusts (REITs)** – A REIT is a type of security that invests in real estate through property or mortgages to allow for an ownership interest in real estate ventures and commercial properties. The risks of such investments include raising interest rates and the potential for the underlying real estate venture to be unsuccessful as well as low occupancy rates for commercial properties. Non-traded REITs an additional liquidity risk and a lack of public information.
- **Long-Term Purchases** – Are securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short-Term Purchases** – Are securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Other investment types may be included as appropriate for a particular client and their respective trading objectives.

## Item 9 – Disciplinary Information

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There are no legal, regulatory or disciplinary events involving Masters Consulting Group or any of its management persons. Masters Consulting Group values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by our firm name or our CRD# 173630.

## Item 10 – Other Financial Industry Activities and Affiliations

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### Broker-Dealer Affiliation

As noted in Item 5, Certain Advisory Persons are also a registered representative of LPL Financial LLC ("LPL Financial"). LPL Financial is a registered broker-dealer (CRD# 6413) member FINRA, SIPC. In one's separate capacity as a registered representative, Advisory Persons will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Advisory Persons. Neither the Advisor nor Advisory Persons will earn ongoing investment advisory fees in connection with any services implemented in Advisory Persons' separate capacity as a registered representative.

### Insurance Agency Affiliations

As noted in Item 5, Certain Advisory Persons are also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from one's role with Masters Consulting Group. As an insurance professional, Advisory Persons may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Advisory Persons or the Advisor.

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## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **A. Code of Ethics**

Masters Consulting Group has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Masters Consulting Group (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Masters Consulting Group and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Masters Consulting Group’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (440) 285-7777.

### **B. Personal Trading with Material Interest**

Masters Consulting Group allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Masters Consulting Group does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Masters Consulting Group does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Masters Consulting Group allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Masters Consulting Group requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”). We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While Masters Consulting Group allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will Masters Consulting Group, or any Supervised Person of Masters Consulting Group, transact in any security to the detriment of any Client.

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Masters Consulting Group receives support services and/or products from LPL Financial, many of which assist Masters Consulting Group to better monitor and service program accounts maintained at LPL Financial. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- 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
- Consulting services
- Attendance at conferences, meetings, and other educational and/or social events
- Marketing support
- Computer hardware and/or software
- Other products and services used by advisor in furtherance of its investment advisory business operations



These support services are provided to Masters Consulting Group based on the overall relationship between Masters Consulting Group and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. Masters Consulting Group will continue to receive the services regardless of the volume of client transactions executed with LPL Financial.

- Clients do not pay more for services as a result of this arrangement.
- There is no corresponding commitment made by Masters Consulting Group to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

Although the non-soft dollar investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. As a result of receiving the services Masters Consulting Group may have an incentive to continue to use or expand the use of LPL services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with LPL Financial and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution. LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL Financial enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker-dealers.

Our non-wrap fee program clients may pay a commission to LPL Financial that is higher or lower than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission 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 a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of LPL Financial. Each client will be required to establish their account(s) with LPL Financial if not already done. Please note that not all advisers have this requirement. We allow clients to direct brokerage outside our recommendation. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

The Firm may aggregate client advisory transactions to improve the quality of execution. Aggregated orders are allocated under procedures determined to be fair to all clients.

1. Accounts receive allocations at the average price of the transaction
2. Accounts receive pro rata allocations if the transaction is only partially filled

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Masters Consulting Group does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14.

**2. Brokerage Referrals** - Masters Consulting Group does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - All Clients are serviced on a “directed brokerage basis”, where Masters Consulting Group will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). In selecting the Custodian, Masters Consulting Group will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Masters Consulting Group will execute its transactions through an unaffiliated broker-dealer selected by the Client. Masters Consulting Group may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

For those clients to whom Masters Consulting Group provides investment supervisory services, account reviews are conducted on an ongoing basis by Masters Consulting Group Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Masters Consulting Group of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis. Masters Consulting Group may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Masters Consulting Group may also provide a written periodic report summarizing account activity and performance.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account. The Client is encouraged to notify Masters Consulting Group if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.



## **Item 14 - Client Referrals and Other Compensation**

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### **A. Compensation Received by Masters Consulting Group**

Masters Consulting Group is a fee-based advisory firm, that is compensated solely by its Clients and not from any investment product. Masters Consulting Group does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Masters Consulting Group may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Masters Consulting Group may receive non-compensated referrals of new Clients from various third-parties.

### **B. Client Referrals from Solicitors**

Masters Consulting Group does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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Masters Consulting Group does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a qualified Custodian. Clients are required to engage the Custodian to retain their funds and securities and direct Masters Consulting Group to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Masters Consulting Group to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

## **Item 16 – Investment Discretion**

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Masters Consulting Group provides investment advisory services on a discretionary basis. Clients are required to execute an Investment Advisory Agreement, naming Masters Consulting Group as the client's attorney and agent in fact, granting Masters Consulting Group full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who would engage Masters Consulting Group on a discretionary basis may, at any time, impose restrictions, in writing, on Masters Consulting Group discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the use of margin, etc.).

## **Item 17 – Voting Client Securities**

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Masters Consulting Group does not vote client proxies but third party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact Masters Consulting Group at (440) 285-7777 to discuss any questions they may have with a particular solicitation.

## **Item 18 – Financial Information**

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Masters Consulting Group does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has Masters Consulting Group been the subject of a bankruptcy petition.

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### **Masters Consulting Group**

113 North Hambden Street, Suite 100, Chardon, OH 44024  
Phone: (440) 285-7777 | Fax: (440) 285-3090  
[www.MastersConsultingGroup.com](http://www.MastersConsultingGroup.com)

## Privacy Policy

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Effective: March 24, 2021

### Our Commitment to You

Wealth Builder Consulting Group, Inc. ("Masters Consulting Group" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Masters Consulting Group (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Masters Consulting Group does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We share information with technology vendors and third-party service providers to manage and support operations and regulatory compliance (such as administrators, brokers, custodians, regulators, credit agencies, consultants and other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Masters Consulting Group does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Masters Consulting Group or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Masters Consulting Group does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

Other Important Information
<b>Information for California, North Dakota, and Vermont Customers:</b> In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.
<b>Massachusetts:</b> In response to a Massachusetts law, clients must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (440) 285-7777.