

Pilar Asset Management LLC
1309 Coffeen Avenue Suite 2577
Sheridan, WY 82801
(307) 223-0924

<http://www.pilarinvest.com>
help@pilarinvest.com

FORM ADV PART 2A
FIRM BROCHURE May 18, 2021

This brochure provides information about the qualifications and business practices of Pilar Asset Management, LLC. (“PAM”) a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that PAM has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. If you have any questions about the contents of this brochure, please contact Sergey Hovasapyan help@pilarinvest.com.

Additional information about PAM is available at: www.adviserinfo.sec.gov Where you can search by our unique identifying number, known as a CRD number; Our CRD number is **314400**. Please visit our website: <http://www.pilarinvest.com>

Item 2 Material Changes

There are no material changes to this Brochure.

Item 3 Table of Contents

| | |
|---|----|
| Item 1 Cover Page..... | 1 |
| Item 2 Material Changes..... | 2 |
| Item 3 Table of Contents..... | 3 |
| Item 4 Advisory Business | 4 |
| Item 5 Fees and Compensation | 6 |
| Item 6 Performance-Based Fees and Side-by-Side Management | 7 |
| Item 7 Types of Clients & Account Minimums..... | 7 |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss..... | 7 |
| Item 9 Disciplinary Information | 11 |
| Item 10 Other Financial Industry Activities and Affiliates | 11 |
| Item 11 Code of Ethics, Participation of Interest in Client Transactions and Personal Trading | 12 |
| Item 12 Brokerage Practices | 13 |
| Item 13 Review of Accounts | 15 |
| Item 14 Client Referrals and Other Compensation..... | 15 |
| Item 15 Custody | 16 |
| Item 16 Investment Discretion | 16 |
| Item 17 Voting Client Securities..... | 16 |
| Item 18 Financial Information..... | 17 |
| Item 19 Requirements for State-Registered Advisers | 17 |

Item 4 Advisory Business

A. The Firm - Pilar Asset Management, LLC

Pilar Asset Management, LLC (“PAM”, “us”, “we”, or “our”) is an investment adviser registered with the United States Securities and Exchange Commission since June 2021. PAM has one direct owner, Sergey Hovasapyan.

B. PAM provides discretionary account management services as an internet only investment adviser. PAM’s discretionary management services are delivered exclusively through separately managed accounts. Our asset allocations are based upon the client’s risk score that is generated by a customized risk scoring system (the “Client Risk Profile”). Client Risk Profile calculates Clients’ risk score upon their responses to an online questionnaire regarding their financial and portfolio information, risk tolerance levels, time to retirement, need to access assets, and the Client’s plans to add funds to or withdraw funds from their separately managed account. Upon completion of the questionnaire, the risk score and the investment strategy tailored to their risk score (the “Investment Policy Statement”), is sent to them prior to signing the Investment Advisory Agreement. PAM **does not** override client risk scores generated by the Risk Profile tool that are based on questionnaire results. PAM **does not** collect additional information from the clients through emails, telephone calls or face-to-face meetings. **Since PAM’s services rely heavily on the information provided to us by the Client in the questionnaire, if the Client provides inaccurate or incomplete information at any point, PAM’s advice may not be fully tailored to that Client’s needs.**

If the client agrees with the risk score and the Investment Policy Statement, PAM will request discretionary authority from the client to select securities and execute transactions without permission from the client prior to each transaction. Once the Client signs a discretionary investment advisory Agreement and transfer the assets to the custodian PAM will start asset allocation.

PAM **does not** provide non-discretionary financial planning services. PAM **does not** elaborate or expand upon the discretionary account management services provided by its website, or otherwise provide investment advice to its internet clients, except as permitted by the Rule 203A-2(e) de minimis exception. Such exception permits an adviser relying on the rule to advise clients through means other than its interactive website, so long as the adviser had fewer than 15 of these non-internet clients during the preceding 12 months.

Using a Client’s risk score and investment objectives (the “Profile”), PAM will recommend an allocation of assets across Model Portfolios program or Actively Managed Portfolios program. Both programs invest only in stocks and ADRs listed on NYSE, NASDAQ and AMEX and Investment grade bonds that are assigned “AAA” to “BBB-” ratings from Standard & Poor’s, and “Aaa” to “Baa3” ratings from Moody’s. For temporary defensive purposes in times of adverse or unstable market, economic or political conditions, or if PAM does not believe, in its exclusive investment discretion, that there are suitable investments for the Model Portfolios or Actively

Managed Portfolios at that time, a portion of a Client's account may consist of un-invested cash. Depending on the account size and portfolio strategies, amounts of un-invested cash may be significant. Holding significant amounts of cash may be inconsistent with the account's investment strategies, and the account might not achieve its investment objective.

Model Portfolios. All Model Portfolios focus on long term buy and hold strategy. The Model Portfolios represent different investing strategies that allow Clients to hold balanced and diverse portfolios through various stages in their lives. PAM may on occasion modify, revise, or discontinue Model Portfolios when it feels it is in the best interests of our Clients. The exact allocations will be based on the Client's Risk Profile. Selection of individual securities is not personally tailored for Client accounts. Rather, the individual securities purchased and sold for Client accounts are based upon and track the holdings in the Model Portfolio. We may, in our sole discretion, modify allocations to Model Portfolios within a Client's Account to reflect, among other things, the need for reduced market risks, lower portfolio volatility, or for other reasons that PAM believes are in a Client's best interest. Client Accounts allocated to Model Portfolios are reviewed on quarterly basis. While adjustments to allocations during rebalancing may result in the addition and/or removal of Model Portfolios from a Client's account, PAM will only adjust a Client's allocation within the constraints of their current risk score or objective. For example, a moderate portfolio may be reallocated based on our capital market expectations but will remain a moderate portfolio. Unless initiated by the Client (through a Profile update as described below or otherwise), we do not periodically monitor and adjust Client allocations beyond our quarterly rebalancing program. To further ensure that our advice remains properly tailored, Clients are encouraged to promptly update their Profile should any information change with respect to their risk tolerance, needs or goals. PAM will annually seek Client confirmation that the information in their Profile remains accurate.

Actively Managed Portfolios. Clients who seek higher risk for potentially (but not guaranteed) higher return, can choose this program. PAM trades assets of these portfolios more frequently seeking higher returns with market timing. Actively Managed portfolios are reviewed at least on weekly basis. The investment time horizon can be significantly lower than that of Model Portfolio accounts. **More frequent trades will result in increased brokerage and other transaction costs** and taxes. Securities are selected and purchased individually for the Client or the group of accounts for Clients within the same Asset Allocation Group. If the same securities are purchased for more than one account, the transaction is executed using block trades with fair execution.

Brokerage, Trading & Custody. Brokerage and custody services for the Program are provided exclusively by Interactive Brokers, LLC ("IB"). When a Personal Portfolio account is funded with securities or the Client moves an existing IB account to our Separately Managed Accounts, PAM generally refrains (unless instructed otherwise by the Client), from trading securities in a Client's Personal Portfolio account until the Client transfers or deposits at least 95% of the amount he or she has indicated in their account application (the "Anticipated Funding Amount"). This delay in trading is intended to minimize the transaction costs associated with configuring a Client's separately managed account to our Model Portfolios. If a Client transfers an existing portfolio into

their Personal Portfolio account, PAM will sell the holdings that are not part of the Model Portfolios being followed by the Client and the proceeds will be reallocated accordingly. Similarly, PAM may add to or reduce the size of transferred positions to align the weightings of those positions to the weightings in our Model Portfolios.

Upon receiving the required percentage of the Anticipated Funding Amount (and assuming that the account has been properly configured by the Client for trading at IB), PAM will generally begin placing trades for that Client account within three (3) business days. After this initial investment period, additional investments are subject to a \$10,000 minimum. Additional investment amounts will be invested weekly according to PAM's cash sweep schedule.

C. PAM's advisory services are tailored to Client's needs using their Profile. Securities purchased for Client accounts within Actively managed Portfolios are tailored for group of investors with similar Profile (the "Asset Allocation Group"). In case of Model Portfolios Clients are assigned to a Model Portfolio that best suits their Profile, and securities purchased and sold for Client accounts are based upon and track the holdings in the Model Portfolio.

Clients can not impose restrictions on investing in certain securities or types of securities. PAM's business model (internet only adviser) does not allow effective communication and management of client restrictions.

D. PAM does not sponsor any wrap fee programs or utilize any wrap fee programs for clients.

E. PAM manages the accounts for Clients on a discretionary basis only, meaning that Clients have granted PAM full and exclusive authority to manage their accounts in accordance with PAM's asset allocation and securities selection determinations. PAM has a fiduciary duty that requires us to act in the best interests of Clients and to place the interests of Clients before our own.

Item 5 Fees and Compensation

A. Clients pay a monthly asset-based fee (the "Asset-Based Fee") that is calculated as a percentage of the market value of the assets in the Client's accounts by the end of each day. The fees are not negotiable.

The annual fee for SMA services in Model Portfolio account program will be based on a percentage of assets under management, according to the schedule below:

| Portfolio Value | Maximum Fee |
|-----------------|--------------|
| < \$ 1,000,000 | 0.8 % / year |
| > \$ 1,000,000 | 0.6 % / year |

The annual fee for SMA services in Actively managed Portfolio account program will be based on a percentage of assets under management, according to the schedule below:

| Portfolio Value | Maximum Fee |
|-----------------|---------------|
| < \$ 1,000,000 | 1.20 % / year |
| > \$ 1,000,000 | 1.00 % / year |

B. PAM uses Interactive Brokers, LLC (IB) as custodian for client assets. The asset-based fees will be calculated and deducted by Interactive Brokers based on the value of the assets held in the client's account at the end of each business day, provided the client supplies written authorization permitting the fees to be paid directly from the account. The daily fee will be equal to the annual fee divided by the number of business days in the calendar year.

C. PAM does not offer any brokerage or custodian services. Clients pay transaction fees and account fees to Interactive Brokers, the custodian/brokerage firm for PAM's SMA programs. Client's are also responsible for their taxes and SEC fees if any. For information on broker practices, please see Item 12, Brokerage Practices.

D. Clients do not pay fees in advance.

E. PAM and its personnel do not accept compensation for the sale of securities or other investment products.

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

PAM does not charge performance-based fees.

Item 7 Types of Clients & Account Minimums

PAM provides investment management services to investment advisors, individuals, institutions, trusts, pension plans, corporations and family offices. PAM's clients include third party investment advisers whereby PAM acts as a sub-advisor money manager. Pursuant to our Investment Advisory Agreement, Clients must consent to receiving all notices and information about PAM's services electronically, including amendments to the Investment Advisory Agreement. To participate in the Separately Managed Accounts, a Client must have an IB account. The minimum investment amount for each Client account 25,000.

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

A. Methods of Analysis and Investment Strategies

PAM uses fundamental, technical, and macro-economic analysis to formulate an investment strategy tailored to each model portfolio and asset allocation group. PAM uses the following sources of information:

- Independent Research Materials
- Financial Periodicals
- Ratings Agency Services
- Annual Reports
- Prospectuses
- Filings with the Securities and Exchange Commission
- Press Releases.

Based on the client's Profile, PAM assigns the client to one of two programs: Model Portfolios and Actively Managed Portfolios. The following are some of the factors that affect client's Profile:

- Income and liquidity requirements
- Investment time horizon
- Risk Tolerance
- Financial goals
- Special needs

Clients with lower risk score will be assigned to the Model Portfolio program. All Model Portfolios are diversified across different industries and company sizes. From time-to-time PAM may change the industry weightings in the Model Portfolio and Actively Managed Portfolio accounts if we believe that certain industry will have higher returns in given economic situation. PAM does not place any restrictions on its level of sector or industry concentration.

Assets will be allocated to one or more Model Portfolio depending on client's Profile. PAM generally uses buy and hold strategy for Model Portfolios. Assets are purchased and held for more than one year. Occasionally PAM may sell the asset earlier if it sees a significant risk of price decline of more than 30%.

Clients with higher risk score will be assigned to the Actively Managed Portfolios program. Actively Managed Portfolios are reviewed weekly, and the holdings can be sold even if there is a risk of market correction. Assets are usually not held more than 3 months.

Both programs invest only in stocks and ADRs listed on NYSE, NASDAQ and AMEX and Model Portfolios invest in Investment grade bonds that are assigned "AAA" to "BBB" ratings from Standard & Poor's, and "Aaa" to "Baa3" ratings from Moody's.

B. Risk of Loss

All investments, including government debt, involve risk. PAM does not guarantee the results of its account management services. **Investing in securities involves risk of loss of some or all of their investment that clients should be prepared to bear.**

To limit the risk of loss PAM invests only in US listed stocks and investment grade fixed income instruments. However, general market, economic, political, and public health factors may adversely affect securities markets generally and could, in turn, adversely affect the value of

PAM's investments, regardless of the performance or expected performance of companies in which we invest. Periods of unusually high financial market volatility and restrictive credit conditions, at times limited to a particular sector or geographic area, have occurred in the past and may be expected to recur in the future. Furthermore, as a result of increasingly interconnected global economies and financial markets, the value and liquidity of a PAM's investments may be negatively affected by events impacting a country or region, regardless of whether the PAM invests in issuers located in or with significant exposure to such country or region.

Health crises caused by the recent outbreak of Covid 19 may heighten other pre-existing political, social and economic risks in a country or region. In the event of a pandemic or an outbreak, there can be no assurance that the Model Portfolios and their service providers including PAM and IB will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

Asset Allocation Risk. Whether Clients achieve their investment objective depends largely upon PAM selecting the best mix of strategies and investments. There is the risk that the PAM's evaluations and assumptions regarding its allocation approach may be incorrect, and the performance of a Client's account may be adversely affected by PAM's asset allocation decisions. Client accounts more heavily invested in stocks may make it more difficult to preserve principal during periods of stock market volatility.

Non-Diversification Risk. Investments in a particular strategy may become concentrated in a small number of issuers. As a consequence, the aggregate returns realized by a Client (either on a strategy or account level) may be adversely affected if a small number of these investments perform poorly. To the extent that the PAM takes large positions in a small number of investments, account returns may fluctuate as a result of changes in the performance of such investments to a greater extent than that of a more diversified account. To the extent PAM invests more heavily in particular sectors or industries of the economy, Client performance will be especially sensitive to developments that significantly affect those sectors or industries.

Operational & Trading Risk. PAM is an internet only adviser. Its client relationship management system is fully integrated with the trading system. PAM is heavily dependent upon the technology it uses. Operational risk, such as breakdowns or malfunctioning of essential systems and controls can impact our ability to perform key functions, including managing Client accounts.

Similarly, disruptions in the electronic trading and other systems at IB (resulting from system upgrades or other reasons) and troubles at the exchanges through which orders are executed (resulting from, among other things, extreme market volatility) could interrupt trading and availability of timely execution could diminish substantially. If this occurs during periods of volatility, substantial losses may be incurred.

If a Client transfers an existing portfolio into their account, PAM will sell the holdings that are not part of the Model Portfolios being followed by the Client and the proceeds will be reallocated accordingly. Similarly, PAM may at times be required to sell or reduce positions in Client accounts

in order to maintain allocations that are similar to those of the Model Portfolios. These transactions may generate unwanted tax consequences. Clients should consult with their personal tax advisors regarding the possible consequences of PAM's recommendations and security trades.

Frequent Trading risk. Actively Managed Portfolio's strategy involves frequent trading of securities, which can negatively affect investment performance, **particularly through increased brokerage and other transaction costs and taxes.** Actively Managed Portfolios invest heavily in technology companies which are more volatile than the overall market. Sometimes the price decline of these stocks is dramatic and unpredictable, and PAM's strategy may fail sell these stocks and contain the losses of buy positions in these stocks.

C. Equity Risk

1. *Equity Risk in General.* The stock of any company may not perform as well as expected, and may lose value, because of factors related to the company, including adverse developments regarding the company's business, poor management decisions, or changes in the company's industry or popularity of its goods and services. In the event a company becomes insolvent, stockholders will generally have lowest priority among owners of that company's obligations as to the distribution of the company's assets. Stocks may also be affected by general market and economic factors, even when their companies' respective business fundamentals are unchanged.

2. *Micro, Small and Mid—Capitalization Companies.* The securities of smaller companies may involve greater risks than do those of larger, more established companies, because the small companies may, for example, lack the management experience, financial resources, product diversification and competitive strength of larger companies, and their trading may be more volatile.

3. *Depository Receipt Risk.* American Depositary Receipts ("ADRs") are typically trust receipts issued by a U.S. bank or trust company that evidence an indirect interest in underlying securities issued by a foreign entity. Investments in non-U.S. issuers through ADRs generally involve risks applicable to other types of investments in non-U.S. issuers. Investments in depository receipts may be less liquid and more volatile than the underlying securities in their primary trading market. If a depository receipt is denominated in a different currency than its underlying securities, a portfolio will be subject to the currency risk of both the investment in the depository receipt and the underlying security.

There may be less publicly available information regarding the issuer of the securities underlying a depository receipt than if those securities were traded directly in U.S. securities markets. Depository receipts may or may not be sponsored by the issuers of the underlying securities, and information regarding issuers of securities underlying unsponsored depository receipts may be more limited than for sponsored depository receipts. The values of depository receipts may decline for a number of reasons relating to the issuers or sponsors of the depository receipts, including, but not limited to, insolvency of the issuer or sponsor. Holders of depository receipts may have limited or no rights to take action with respect to the underlying securities or to compel the issuer of the receipts to take action.

4. *Dividend Risk*. There is no guarantee that the issuers of the stocks will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. High-dividend stocks may not experience high earnings growth or capital appreciation. A Client's performance during a broad market advance could suffer because dividend paying stocks may not experience the same capital appreciation as non-dividend paying stocks.

5. *Fixed Income Risk*. Fixed Income Risk in General. While often considered to be safer investments, fixed income securities do carry risks. For example, changes in interest rate levels generally cause fluctuations in the prices of fixed-income securities. So, if interest rates rise, the prices of these securities usually fall. Also, subsequent to the purchase of a fixed-income security, the ratings or credit quality of such security (and that of its issuer) may deteriorate, which could negatively affect the market price. Depending on the features of the fixed income investment, other risks such as inflation and lack of liquidity, may affect its market value.

Item 9 Disciplinary Information

Neither PAM nor any supervised person has been involved in any legal or disciplinary event that is material to a Client's or prospective Client's evaluations of PAM's advisor business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliates

- A. Neither PAM nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither PAM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Sergey Hovasapyan is a Chartered Professional Accountant of Ontario, Canada. He has a public accounting practice registered with CPA Ontario as "Hovasapyan Chartered Professional Accountant". However, currently he neither seeks accounting clients nor provides accounting services to the public.
- D. PAM does not recommend or select other investment advisers for its Clients.

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

A. Code of Ethics.

In accordance with Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”), PAM has approved and adopted a Code of Ethics (the “Code”). The Code establishes rules of conduct for all PAM’s officers, employees and other persons under the supervision of PAM, and is assigned to govern securities trading by employees and their households. The Code further sets forth policies and procedures that are reasonably designed to prevent Access Persons, as defined in the Code, from engaging in conduct prohibited by the Advisers Act and establishes reporting requirements for Supervised Persons. The Code explains that PAM and its officers and employees have a fiduciary duty to PAM’s Clients to place the Clients ahead of their personal interests. The Code is based upon the following principles:

- PAM and its personnel must at all times place the interests of our clients first. All personal securities transactions must be conducted in a manner consistent with the Code and avoid any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility.
- Employees must not take any inappropriate advantage of their positions at PAM. Independence in the process of making investment recommendations must be maintained at all times.
- PAM and its employees must never take unfair advantage of their relationship with any affiliates that are in the investment business.

More specifically, the Code of Ethics provides that covered persons must:

1) Comply with all applicable laws and regulations.

2) On an annual and quarterly basis, disclose to our Compliance Officer all holdings in “covered securities,” including:

- Debt and equity securities.
- Options on securities.
- All forms of limited partnership and limited liability company interests, including interests in private investment funds (such as hedge funds), and interests in investment clubs.
- Any mutual fund for which PAM serves as an investment adviser or subadvisor, or any mutual fund whose investment adviser controls, is controlled by or under common control with PAM; and
- ETFs.

3) Receive pre-clearance from our Compliance Officer (or his designee) for transactions in covered securities.

PAM will provide a copy of its Code of Ethics to any Client or prospective client upon request.

B. PAM or a related person does not recommend to clients, or buys or sells for client accounts, securities in which PAM or a related person has a material financial interest or where PAM or a related person is a general partner. PAM does not recommend third party investment advisor to clients.

C. PAM or a related person may invest in the same securities (or related securities, e.g., warrants, options or futures) that PAM or a related person recommends to clients, this may create a potential conflict of interest in that PAM and a related person can benefit from the price movement. PAM will document or personal trades and make sure that Clients are not held at disadvantage.

D. PAM or a related person may buy or sell securities for client accounts, at or about the same time that PAM or a related person buys or sells the same securities for its own (or the related person's own) account. This may create a potential conflict of interest. PAM uses trading practices that provide fair execution for all Client accounts and related person's accounts. All of our clients, including Associated Persons who have accounts managed by PAM, buy and/or sell the same securities simultaneously. We execute block trades, which means that we buy and/or sell securities in large amounts that are then broken down and allocated automatically to each account (this would include both client accounts and associated person accounts). All accounts receive the proper number of securities at the same average price, which enables us to avoid the potential for conflicts of interest with our clients. Also, all employees will be required to disclose their trading activity to make sure there is no conflict of interest with clients.

Item 12 Brokerage Practices

A. Broker Selection

Brokerage services for the Separately Managed Accounts are provided exclusively by IB, including custody of the accounts in the Program. To participate in the PAM Separately Managed Accounts Program, Clients must either open an account with IB or transfer their existing IB account into the Program. Clients are subject to IB's transaction fees, account fees and other miscellaneous charges. PAM does not charge premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

When selecting a broker and custodian for the Program, PAM considered a number of factors including:

- Commissions and fees both in aggregate and on a per-share basis
- Ability to provide both transaction execution and asset custodial services
- Execution, clearance and settlement capabilities
- Trading capabilities including the ability to handle large block and volumes of trade
- Technology
- Responsiveness

- Quality of services
- Reputation

IB provides PAM economic benefits, such as, the TWS trading workstation, the Client Risk Profile tool, the ability to aggregate transactions using client allocation groups and model portfolios, monitoring of client accounts and other benefits related to client relationship management. The benefits received by PAM do not depend on the amount of brokerage transactions directed to IB. Clients should be aware, however, that the receipt of economic benefits by PAM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence PAM's recommendation of IB for custody and brokerage services.

PAM periodically reviews the quality of services provided by IB, along with their policies and controls designed to, among other things, ensure compliance with applicable law. Clients should be aware that some other advisers may utilize multiple brokerages. Also, without the ability to use different brokerages, PAM may at times be unable to achieve most favorable execution of Client transactions. Under such circumstances, trades may cost Clients more than they otherwise would have.

PAM and IB are unaffiliated entities. As a fiduciary, PAM has the responsibility to seek the best execution for clients and execute orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions due to PAM's actions, or inaction, or actions of others, PAM's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting PAM in any way. PAM's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file.

1. Research and Other Soft-Dollar Benefits

PAM does not receive Soft Dollar Benefits from Interactive Brokers.

2. Brokerage for Client Referrals

PAM does not receive referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

PAM does not permit Clients direct PAM to execute transactions through a specified broker-dealer. PAM requires clients to use a specific broker-dealer (IB) to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Order Aggregation and Allocation

PAM will aggregate orders for a Client's account with similar orders being made contemporaneously for other Clients' accounts. PAM uses allocation profiles to execute orders for selected tickers when investing across multiple client accounts. These allocation profiles ensure

that one client does not receive preferential treatment over another. All accounts receive the proper number of securities at the same average price, which enables us to avoid the potential for conflicts of interest with our clients.

Item 13 Review of Accounts

- A. Account Monitoring. As described under Item 4 above, PAM (Sergey Hovasapyan) reviews Model Portfolio accounts on quarterly basis and Actively Managed Portfolio accounts on weekly basis.
- B. In order to further ensure that our advice remains properly tailored, Clients are encouraged to promptly update their Profile should any information change with respect to their risk tolerance, needs or goals. Once the client updates the Profile, PAM will get notified and review the account. PAM will annually seek Client confirmation that the information in their Profile remains accurate.
- C. Client Reporting. Clients will receive trade notifications as well as quarterly written account statements from IB (copies of which PAM will have access to). The quarterly statements describe all account activity and detail the account returns for the previous quarter. Clients are also able to access this information directly on the IB website, using their IB username and password. To avoid confusion PAM will not provide supplementary reports. Clients are strongly encouraged to check brokerage account statements received from IB directly for trading activity, balances, and performance results.

Item 14 Client Referrals and Other Compensation

- A. PAM does not have any arrangement with a third party to provide advisory or other services to our clients. PAM does not receive any economic benefits, such as sales awards or other prizes from a third party.
- B. PAM could offer compensation to current Clients who recommend PAM's services. In addition, PAM may enter into agreements to pay third parties to solicit and/or refer prospective Clients who may need or find value in the investment services provided by PAM. Each agreement, to the extent required by the Advisers Act, will comply with Rule 206(4)-3 under the Advisers Act, and all compensation for such solicitation and/or referrals will be paid in accordance with applicable law. Prospective Clients will be advised of such compensation prior to opening an account, and PAM supervises these referral activities.

Clients are not charged any fees, nor do they incur any additional costs for being referred to PAM.

Item 15 Custody

PAM does not have a custody of client funds and securities. Clients will receive quarterly statements from IB, as the custodian of the Accounts. Such information can also be accessed on the IB site with a Client's username and password. Clients are urged to carefully review all statements and other notices received from IB.

Item 16 Investment Discretion

Under the terms of the Investment Advisory Agreement, Clients grant PAM full authority and designate PAM as their agent and attorney-in-fact to buy and sell securities on their behalf in their applicable accounts. Similarly, Clients have the option of granting a Limited Power of Attorney to open Separately Managed accounts on the Client's behalf, initiate ACAT transfers to the Client's account and handle other related account opening matters. In addition, as part of the account opening or transferring process, IB requires that Clients enter into a Discretionary Authority/Limited Power of Attorney Agreement, designating PAM as the investment manager with the power to execute trades, request information, receive account statements and confirmations, and generally manage the IB account on the Clients' behalf.

Item 17 Voting Client Securities

- A. PAM does not have, and does not accept, authority to vote Client securities.
- B. IB's default setting for distributing shareholder communications (e.g., proxy materials and annual reports) from U.S. and Canadian issuers is electronic delivery. Under this method the account holder will receive an email notice when information becomes available for a securities they hold from IB's processing agent, Mediant Communications. This notification will provide the necessary links for accessing the information and voting through the Internet in lieu of receiving these documents via postal service. The technology which you will need to secure the information includes access to the Internet and a web browser supporting secure connections. In addition, you will need to be able to read the

documents online and print a copy provided your system supports documents in a PDF format. IB recommends that you add the following addresses to your email address book to minimize the possibility of communications being routed to your junk folder or rejected by your email provider as spam: InteractiveBrokers@proxydocs.com, InteractiveBrokers@investorelections.com, InteractiveBrokers@proxypush.com, InteractiveBrokers@prospectusdocs.com.

For more details visit: <https://ibkr.info/article/2648>

Item 18 Financial Information

- A.** PAM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B.** PAM does not have financial conditions that are reasonably likely to impair our ability to meet contractual obligations to Clients.
- C.** PAM has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

PAM is an SEC registered Investment Advisor and serves “Notice” through the SEC filed ADV process to the appropriate states that PAM has Investment Advisory clients. PAM is generally used as a third-party asset manager by other state registered Investment Advisors and does not provide investment advice or solicit clients on behalf of any state registered investment adviser or representative.