



PROFESSIONAL
FINANCIAL
Purposeful Wealth Management

Professional Financial Strategies, Inc.

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Firm Brochure

Form ADV, Part 2A

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Chief Compliance Officer

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This brochure provides information about the qualifications and business practices of Professional Financial Strategies, Inc. (the "Advisor"). If you have any questions about the contents of this brochure, please contact us at (585) 218-9080 or paulhill@professionalfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. References herein to Advisor as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

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



Item 2/Material Changes

MATERIAL CHANGES FOR UPDATE OF SEC REGISTRATION

No material changes have been made to Advisor's Part 2A Brochure since last year's Annual Amendment filing on March 30, 2021.

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

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Item 4/Advisory Business

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

B. Advisor offers individuals and families (including their associated business entities, retirement plans, trusts and estates, and charitable income trusts) financial planning and wealth management services. Services target affluent and aspiring families who are either retired or preparing for retirement and for arranging legacies for surviving spouses, children, and grandchildren of successful families.

Financial planning is a collaborative process that helps maximize a Client's potential for meeting life goals through financial advice that integrates relevant elements of the Client's personal and financial circumstances. Wealth management is an extension of financial planning that includes intergenerational financial management, with special attention to the surviving spouse and children.

Advisor act as a personal chief financial officer focused on clients' personal needs, goals and values. Advisor employs a planning process aligned with CFP® practice standards. The firm's process puts clients in control through developing a strategy for reaching key financial goals and attaining financial security with confidence. Advisor collaborates on behalf of Client with a network of specialists in fields such as insurance, mortgages, tax, accounting, trusts and law.

"Wealth management" integrates personal *financial planning and advanced planning coordinated with investment management services*. Advisor is compensated by fees for investment management and financial planning services and neither Advisor nor its representatives receive compensation for the sale of securities. We are not a broker-dealer and our representatives are not registered with any broker-dealer.

FINANCIAL PLANNING & WEALTH CONSULTING

Advisor's financial planning and wealth consulting services includes personal financial planning and advanced planning for retirement income, asset protection and legacy transfer strategies. Planning for Clients follows a process: (1) understands personal and financial circumstances, (2) identifies and prioritizes goals, (3) analyzes and stress-tests the current situation and then multiple alternatives, (4) develops appropriate recommendations, and (5) ends with presenting recommendations for the Client to select in whole or part. These typically are completed over the course of a year. After that begins the (6) implementation and (7) monitoring phase.

Wealth Planning Consulting levels provided to Clients are:

Financial Planning & Wealth Consulting (Premier Level 3): Advisor provides personal and advanced planning services with CFP® professionals collaboratively with Client advisors. Investment policy, portfolio benchmarking, and retirement planning reviews, together with updating personal information are provided at least annually but solely at the Client request, together with other consultation

quarterly solely at the Client's request. Occasional consultations related to small business interests are provided for a premium fee. Monthly consultations may be provided for a premium fee.

Financial Planning & Wealth Consulting (Preferred Level 2):

Advisor provides personal and advanced planning services with CFP® professionals collaboratively with Client advisors. Investment policy, portfolio benchmarking, and retirement planning reviews, where applicable, together with updating personal information are provided at least annually but solely at the Client request, together with other consultation semi-annually solely at the Client's request. Occasional consultations related to small business interests are provided for a premium fee. Quarterly consultations may be provided for a premium fee.

Financial Planning & Wealth Consulting (Standard Level 1):

Advisor provides personal and advanced planning services with CFP® professionals collaboratively with Client advisors. Investment policy, portfolio benchmarking, and retirement planning reviews, where applicable, together with updating personal information are provided at least annually but solely at the Client request, together with other consultation annually solely at the Client's request. Quarterly consultations may be provided for a premium fee.

Retirement Stress Testing/Second Opinion: (Introductory): Advisor identifies and works with the Client to prioritize retirement lifestyle, family, legacy and other important goals. Client concerns related to a financially secure lifestyle are uncovered and understood. Client's current planning is stress-tested. If shortcomings are found, feasible alternative planning arrangements are explored for consideration. Risks such as longevity, health, inflation, market volatility, legacy are taken into account in financial planning. Comprehensive studies for planning and implementation that may be needed are not included as part of this phase except at additional cost.

Limitations of Financial Planning & Wealth Consulting

Services. Advisor will provide financial planning, retirement planning, and/or advanced planning services only to the extent a Client requests. Neither Advisor nor its adviser representatives assist clients beyond simply presenting planning recommendations unless they have mutually agreed to do so in writing. The Advisor **does not** continuously monitor a client's financial or wealth planning apart from annual financial planning reviews. It is the Client's responsibility to request formally revisiting any financial, retirement or advanced planning matters or concerns with Advisor at least annually and are responsible for requesting more frequent, additional or supplemental planning or consulting.

Client retains sole discretion for implementing any financial planning related advice and is free to reject any recommendations.

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



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

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

FINANCIAL MANAGEMENT SERVICES

Investment management is at the core of most financial management services. The Advisor limits its own discretionary investment advice to certain types of securities, primarily institutional-class mutual funds and exchange-traded funds as well as cash equivalents, with will advise on stock and bonds and similar legacy holdings of the Client. Non-conventional investments such as hedge funds, venture capital, private equity, cybercurrencies, NTFs, and SPACs are not included in Advisor portfolios.

Financial and wealth planning are coordinated with investment management services based on different household asset levels:

- **Financial Management—Supreme & Premier Level 3.** Evidence-based portfolio strategies grounded in modern financial science are structured and managed based on the Clients' personal investment policy strategy. Clients paying at least a \$5,000 minimum quarterly fee (per schedules in *Item 5*) are Premier Level clients with respect to wealth planning and consulting services described above. Supreme clients receive additional services, individually negotiated. Institutional-class mutual funds and/or ETFs together with any legacy securities, are maintained in custodial accounts in Client's name. Income/deferred/variable annuities, 529 plans and/ or employer retirement and deferred compensation plans, as well as real estate holdings, may be coordinated as part of the management strategy at Advisor's sole discretion.
- **Financial Management—Preferred Level 2.** Evidence-based portfolio strategies grounded in modern financial science are structured and managed based on the Clients' personal investment policy strategy. Clients paying at least a \$2,500 minimum quarterly fee (per schedules in *Item 5*) are Preferred Level clients with respect to wealth planning and consulting services described above. Institutional-class mutual funds and/or ETFs together with any legacy securities, are maintained in custodial accounts in Client's name. Income/deferred/variable annuities, 529 plans and/ or employer retirement and deferred compensation plans, as well as real estate holdings, may be coordinated as part of the management strategy at Advisor's sole discretion.
- **Financial Management—Standard Level 1.** Evidence-based portfolio strategies grounded in modern financial science are structured and managed based on the Clients' personal

investment policy strategy. Clients paying at least a \$1,250 minimum quarterly fee (per schedules in *Item 5*) are Standard Level clients with respect to wealth planning and consulting services described above. Institutional-class mutual funds and/or ETFs together with any legacy securities, are maintained in custodial accounts in Client's name. Income/deferred/variable annuities, 529 plans and/ or employer retirement a deferred compensation plans, as well as real estate holdings, may be coordinated as part of the management strategy at Advisor's sole discretion. Starter households (such as children or parents of current Clients) may buy-up to Standard Level services regardless of their assets under management if they pay the minimum quarterly fee.

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

C. Investment advisory services are personalized. Investment management strategy and portfolio structure for financial management is based on Clients' individual needs, values, goals, preferences, and particular circumstances, and closely coordinated with Advisor's overall wealth management process. After completing the initial phases of the wealth planning process, Advisor invests Client assets based on a customized investment policy statement they specifically approve, and then continuously monitors custodied investment accounts. At least annually Advisor requests individual wealth planning session reviewing progress in financial management, as well as incidental advanced planning matters such as tax and legacy planning. Except for a portfolio planning session annually to reconfirm investment policy, review portfolio structure, changes made over the past year, likely additions or withdrawal over the coming year and related tax considerations, additional meetings for personal planning in related areas available to a client at their service level is entirely at their discretion. The overall asset allocation structure considers the tax impact of fund changes by each account in relation to the after-tax value of assets positioned in IRAs and employer plans.

Clients may, at any time impose restrictions or limitations, in writing, either regarding investing in certain securities or restricting sales of certain securities. Such restrictions, however, must be consistent with a prudent investment policy strategy corresponding to professional fiduciary standards, including those within the meaning of Title I of the Employee Retirement Income Security and/or the Internal Revenue Code. (ERISA plans are subject to specific regulatory restrictions.) Restrictions imposed by the Client

that are unacceptable to Advisor may result in termination of the advisory relationship.

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

Introductory wealth planning process: Advisor's process involves planning that attempts to realize a financially secure long-term outcome by investing money, mitigating taxes, arranging to protect and preserve assets for a family legacy in an integrated manner. After envisioning the potential client's best future through a series of meetings, Advisor helps potential clients establish their primary goals and prioritize objectives, most often related to an ideal retirement. Current plans are stress tested against those stated future goals. Alternative approaches are collaboratively developed. The Client eventually must choose the course of action best for them, knowing that periodic modifications will be needed to stay on course as conditions change.

At that point, the advisory engagement changes as investment implementation and wealth consulting begins. Progress in both investment management and wealth consulting is monitored and reviewed at least annually. Planning goals, objectives and related recommendations are annually updated at wealth progress sessions.

The wealth management process typically has five financial planning phases:

- 1. Planning Envisionment:** Introductory conversation(s) where Advisor learns about a prospective client's experiences and concerns about their future, and their level of confidence about financial security. Advisor may discuss common financial planning problems, risks and uncertainties related to that future. They mutually decide whether to continue.
- 2. Retirement Stress-Testing:** Client has provided requested information, completed testing, and prioritized important goals. Using proprietary models, Advisor stress tests Client's likely outcome against that possible future. If a shortfall against the best outcome is determined, Advisor collaborates with Client developing alternative approaches and solutions. This may require multiple email/telephonic/Zoom conversations to resolve tradeoffs to recommend the best feasible and sensible financial plan.
- 3. Strategy Commitment:** Advisor presents a wealth planning strategy he believes is most likely to allow the Client to realize their important retirement lifestyle, family legacy and other family goals. Planning summarizes issues from the conversations, incorporating the best of the alternatives presented and considered. Questions are answered, and additional concerns are discussed. Client and Advisor decide whether to commit to their planning and, if so, begin the necessary paperwork.

4. Investment Planning: Client begins a serious education in science-based investing. An investment policy strategy is developed and formalized, and an investment portfolio structure for implementation is reviewed. Account opening and asset transfers continue, and a customized financial platform is setup to facilitate ongoing planning, management, and reporting.

5. Wealth Planning: In future meetings, wealth planning to preserve, protect and pass on wealth will involve tax planning, insurance planning, benefit planning, asset protection planning, and legacy planning collaborating with various specialists. Advanced planning matters are prioritized based on urgency and complexity. Those areas not immediately addressed will be discussed in future progress sessions.

6. Wealth Progress Sessions: At least annually after the first year, Client progress toward their key financial goals is monitored and stress tested based on Premier, Preferred or Standard service levels. Sessions leading to updated recommendation from updated planning will be based on changes in health, employment or family situations, tax and economic circumstances. Advisor provides monthly and quarterly educational resources related to financial and wealth planning topics of interest.

Client Obligations. In performing planning services, Advisor shall not be required to verify any information received from Client or from Client's other professionals and is expressly authorized to rely thereon on what has been provided or not. Moreover, each Client is advised that it remains their responsibility to promptly notify Advisor if there is ever any substantial change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Advisor's previous recommendations and/or services. Notice to Advisor **must be** provided in writing by mail or email. For non-discretionary accounts such as employer plans, Client is expected to act promptly upon specific instructions provided to them by email, or to get back to Advisor promptly with any questions.

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

INTRODUCTORY WEALTH PLANNING PROCESS





Advisor independence: Advisor is independent of any broker-dealer, insurance company, or banking institution. Custodial services are recommended primarily through Charles Schwab & Co. (for more information, see *Item 12*). Annuities, insurance, or 529 plans may be through TIAA, Transamerica Life, Hartford Life, the Vanguard Group, and others. Additionally, Client will continue to maintain existing employer retirement accounts such as 401(k)s, 403(b)s, 457s, and Advisor will not be a fiduciary under ERISA with respect to any such employer plans.

Retirement Rollovers—Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (including a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out plan account assets (which likely would result in adverse tax consequences, especially for those under age 60). If Advisor recommends that a client roll over their retirement plan assets into an account we manage, such a recommendation creates a conflict of interest if new or increased compensation is earned as the result of the rollover. When we provide investment advice regarding your retirement plan or individual retirement account, we are fiduciaries within the meaning of the Employee Retirement Income Security and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. No client is under any obligation to rollover retirement plan assets to accounts managed by Advisor.

Portfolio Activity: Advisor has a fiduciary duty of loyalty and care as an investment advisor as well as a CFP® professional to provide services consistent with the client's best interest. As part of its investment advisory services, Advisor will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, account additions/withdrawals, rebalancing asset allocations due to style drift, loss harvesting, tax bracket leverage, and/or written changes in the client's investment objective or restrictions requested by the Client. Based upon these considerations, there may be extended time periods when Advisor determines that any changes to a client's portfolio or a particular account are neither necessary nor prudent. Clients nonetheless remain subject to fees described in *Item 5* below during periods of low or no account activity. Correspondingly, Advisor fees will not increase due to periods requiring unusually high account activity or necessary special account services.

Cash Positions: Advisor treats cash as an asset class. As such, unless determined to the contrary by Advisor, all cash positions (money markets, cash balances, etc.) shall continue to be included as part of assets under management for purposes of calculating Advisor's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Advisor may maintain cash positions for anticipated cash flow purposes (such as scheduled income withdrawals) or to cover contingent limit markets order to purchase equity EFTs based on specified purchase prices in a market decline that may or may not occur. In addition, while assets are maintained in cash or cash equivalents, such amounts could miss market advances. Depending

upon current yields, at any point in time, Advisor's advisory fee could exceed the interest paid by the client's money market fund.

ByAllAccounts: In conjunction with automated reporting services provided by ByAllAccounts, Inc, the Advisor provides periodic comprehensive reporting services, which can incorporate all of the client's investment assets including those investment assets that are assets not directly managed by the Advisor (the "Excluded Assets"). The Advisor's service relative to the Excluded Assets is limited to reporting services only, which does not include investment implementation or requires instructions to the Client to take specific action(s). Because the Advisor lacks trading authority for the Excluded Assets, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional) shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The client and/or their other advisors that maintain trading authority, **and not the Advisor**, shall be exclusively responsible for the investment performance of the Excluded Assets. Without limiting the above, the Advisor shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that the Advisor provide investment management services with respect to the Excluded Assets, the client may engage the Advisor to do so pursuant to the terms and conditions of the Financial Management Agreement between Advisor and Client.

Occasionally, clients may be requested to provide detailed employer 401k/403b/457 statements to Advisor for the purpose of updating information provided through ByAllAccounts.. This is often due to a system break or temporary interruption of service. The information is needed to reconstruct or validate share histories or daily pricing. In the event of such an event, Clients are expected to provide missing 401k/403b/457 transaction information and assist Advisor with resetting system connections to ByAllAccounts in a timely manner.

Use of Dimensional Fund Advisor mutual fund portfolios: Many mutual funds are directly available without the need to engage an investment professional as an intermediary. That is, they may be available and utilized independent of engaging Advisor. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are only available through a specially approved group of registered investment advisers or part of an employer's 401k plan. Advisor utilizes DFA mutual funds and DFA exchange traded funds (ETFs) for much of their investment management. Therefore, if Client decides to terminate Advisor's services without first selling those fund portfolios, restrictions regarding transferability and/or additional purchases of, or reallocation among, DFA mutual funds could apply. This restriction does not apply to the availability of DFA ETFs for trading where they are used as part of a Client's portfolio.

Socially Responsible Investing Limitations: Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities in a fund portfolio may be limited when compared to funds that do not maintain



such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including a serious potential for underperformance. Correspondingly, the number of ESG mutual funds and ETFs are fewer when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Advisor), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

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

E. As of December 31, 2021, Advisor had approximately \$203,581,462 in regulatory assets under management with \$182,389,518 in discretionary assets and \$21,191,944 in non-discretionary assets among 105 Client households and 4 institutional relationships. \$6,032,030 of discretionary assets was associated with employer retirement plans.

Item 5/Fees and Compensation

A. Advisor's fee for all levels of financial management and consulting services are summarized on Pages 7 and 8. The financial planning portion of the financial management services is the same as for Standard Management Level 1. Incidental financial planning services increase with the increase in clients contacts based on their service level. Clients desiring or requiring a greater level of financial planning services may increase their services level from Standard Management A to Premium Supervisory Schedule B. Management agreements automatically renew every calendar year until terminated or changed by the Client or Advisor. Financial planning and wealth consulting agreements (FPWC), without investment management or implementation services, terminate either after six month or the end of calendar year, whichever is longer. If the level of financial planning services requested or required by Client exceeds the financial planning services and contact allowance for their financial management service level, they may elect through a FPWC to move up to Level 2 or Level 3 Premium Management Schedule with a corresponding increased fee arrangement for the first \$1 million under management and/or by adopting the higher fee minimum for the next higher service level.

B. Advisor's fee schedule combines fixed and variable components. Premier, Preferred and Standard service levels all have minimum fees specified that may apply without regard to Client household assets under management. The advisory increases more than the minimum base fee as assets under

management increase. Advisor fees are generally separate from legal, accounting or fees of other specialists who are part of Advisor's professional referral network.

FINANCIAL PLANNING AND WEALTH CONSULTING

Advisor provides Financial Planning and Wealth Consulting (FPWC) services based on a fee schedule located on Page 7. The FPWC does not provide for investment management or implementation services. Financial and wealth planning services beyond Standard Level 1 described in *Item 4 (B)* are negotiated separately based on either a flat fee or hourly charges if the amount of time for the project is undeterminable.

Financial Planning & Wealth Consulting (Supreme, Premier and Preferred Clients): Advisor's financial planning fee for consulting depends on a combination of Client's income and net worth (excluding primary residence, but not limited to employer retirement plans, deferred comp, various business interests and/or rental real estate ownership), as well as special circumstances that may require additional effort.

The minimum FPWC fee for financial planning (conforming to CFP® Board standards) with wealth consulting is \$10,000 with \$5,000 payable as a retainer. Introductory consultations including Stress Testing is \$5,000 which become incorporated in the FPWC arrangement if client continues the planning process. FPWC agreements typically terminate after the longer of six months or year end. FPWC fees for advisory clients and conditions for different levels of wealth is fully described under *Item 4*, "Financial Planning and Wealth Consulting."

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

Where a Client terminates their investment management agreement in the same calendar year FPWC services under a formal agreement, FPWC schedule fees will be applied in full, and adjusted against a pro-rata refund due to termination before quarter end.

Hourly Advisory Fees: For situations where an hourly engagement is requested, Paul Byron Hill CFP® is \$500 per hour; Kam-Lin Kok Hill CFP® is \$350 per hour; all other CFPs are \$250; \$125 per hour for general staff. A 50% retainer of estimated hours may be payable upon engagement for hourly services. Hours charged will not exceed the estimate without pre-approval. Any unused retainer will be refunded.

Fees Related to Custodial Accounts: Account coordination with Charles Schwab & Co., Hartford SMART529 plans, annuities or employer accounts are subject to charge of at least \$250 each. Fee includes platform set-up for bundled accounts, integration with Advisor's reporting platform, aggregator access, and coordination with financial and retirement planning systems.

FINANCIAL PLANNING & WEALTH CONSULTING SCHEDULE

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

FPWC fee may be credited quarterly toward financial management services.



Platform Arrangement Fees: Advisor charges at least \$500 for each Charles Schwab custodial set-up and/or employer retirement plan integrations. The fee is a minimum of \$1,000 where custodial accounts involve a trustee arrangement or qualified retirement plan and related Client accounts. Fees are negotiable in advance and may be greater depending on complexity of the arrangement or amount of effort involved.

Financial Instrument Implementation Fees: The consulting fee for planning and arranging implementation of financial instruments such as single premium income annuities, deferred income annuities, and permanent life insurance is at least \$5,000. That fee may be greater depending on the anticipated effort. At the Client's option, Advisor fees may be waived due to reimbursement fees paid to a related party of Advisor. CFP® professionals diligently evaluate products and services, obtaining relevant suitability information, also evaluating justifiable cost, reasonable performance, and appropriate risk, to determine whether such transaction is in the "best interest" of Client (CFP® professional fiduciary standards and New York Department of Financial Services Reg 187 apply). Products may not be available to Client due to health or state of residence. Where related parties of Advisor receive reimbursement fees, they will be disclosed to Client. Furthermore, such solutions will be excluded from ongoing advisory assets under management charges.

FINANCIAL MANAGEMENT SERVICES

For financial management services, Advisor's fee (between 0.40% and 1.50%) is calculated as an annual percentage (%) of combined market value under management and supervision. Fee schedules located on Page 8 are subject to household minimums (typically \$2,500 quarterly for "Preferred" level and \$5,000 quarterly for "Premier" level clients):

1. Financial Management—Standard Management Schedule

(A). This investment advisory fee schedule applies to household accounts collectively under Charles Schwab & Co. platforms. Accounts for children and/or parents are advised separately. Advice related to business and trustee accounts (SEPs, solo 401ks, cash balance plans, CRTs, etc.) are included under Schedule B.

To qualify for standard (Level 1) financial planning services

to include with investment management, **at least** 80% of Client investible assets (inclusive of personal bank, brokerage, employer retirement accounts, RSUs, etc.) that would be billable and under advisement.

Advisor's investment advisory fee may be negotiable depending upon certain objective and subjective factors including but not limited to: the total amount of family manageable assets; timing of anticipated future additional assets; portfolio composition; the scope and complexity of the engagement; the annually anticipated number of meetings and servicing requirements; related family or household accounts; future expected earning capacity; which professional(s) render service(s); prior relationships with us and/or our representatives, and length of Advisor relationship.

As a result of these factors, similarly situated clients could pay different fees, client services could be available for less with a different advisor, and institutional clients (if any) may pay less than the fee schedule.

2. Financial Management—Premium Management Schedule

(B). This advisory schedule applies where the scope and complexity of the engagement, or where greater servicing requirements for financial planning and wealth consultations is expected or has been previously provided. It also applies where more than 25% of investible assets are excluded from management billing or where additional advisory services related to financial, retirement or wealth planning are routinely required. This might include services related to (but not limited to) retirement plans, deferred compensation plans, college aid planning, special need children, donor advised funds, charitable remainder trusts, or periodic small business tax and benefit consultations (coordinated with their CPA).

B. Clients advisory fees are normally deducted from their custodial accounts, but Advisor may be paid directly. Billings are quarterly in advance. Billings are based upon market value of their assets on the last business day of the previous quarter, pro-rated quarterly, subject to fee minimums. Broker-dealer custodial agreements with Charles Schwab authorize debiting accounts proportionally for the annualized fee (ordinarily one-fourth of the annualized rate quarterly as shown in billing statements) and

A: STANDARD MANAGEMENT SCHEDULE Aggregated Advisory Accounts

Total Assets Advised	Per Quarter	Annualized Rate
First \$100,000	0.375%	1.50%
Next \$900,000 to \$1 million	0.250%	1.00%
Next \$1 million to \$5 million	0.200%	0.80%
Next \$10 million to \$15 million	0.175%	0.70%
Next \$10 million to \$25 million	0.150%	0.60%
Next \$25 million to \$50 million	0.125%	0.50%
More than \$50 million	0.100%	0.40%

Subject to minimum \$2,500 quarterly fee offsetting the fee schedule as otherwise calculated. Level 2 and 3 services may be additional.

B: PREMIUM MANAGEMENT SCHEDULE Aggregated Advisory Accounts

Total Assets Advised	Per Quarter	Annualized Rate
First \$500,000	0.375%	1.50%
Next \$500,000 to \$1 million	0.250%	1.00%
Next \$1 million to \$5 million	0.200%	0.80%
Next \$10 million to \$15 million	0.175%	0.70%
Next \$10 million to \$25 million	0.150%	0.60%
Next \$25 million to \$50 million	0.125%	0.50%

Subject to minimum \$1,250 quarterly fee offsetting the calculated fee schedule. Qualifying clients Level 1 service requirements may switch to the Standard Management Schedule beginning the calendar year after their quarterly fee reaches \$2,500. Financial planning services are not included without additional charge where AUM fee is less than \$1,250 quarterly minimum.



then that deducted advisory fee is remitted directly to Advisor in compliance with specific regulatory procedures.

For fee related to non-custodial accounts, those fees will be deducted from non-qualified custodial accounts (such as IRAs), and only then from qualified custodial accounts. Where spouses mutually give each other powers of attorney for their household accounts, Client any non-qualified account may be debited for fees. The Client may request deducting fees from specific accounts. For Clients ordinarily paying advisory fees directly, fees unpaid more sixty after the current quarter begins may be debited directly without notice. Supplemental fees under a *Financial Planning & Wealth Consulting Agreement* may be debited from custodial accounts as specified in that agreement.

- C. As discussed in *Item 12*, unless Client directs otherwise or circumstances dictate, Advisor recommends that Charles Schwab and Co., Inc. ("Charles Schwab") serve as the broker- dealer/custodian for investment advisory assets. Charles Schwab charges commissions and/ or transaction fees for effecting certain securities transactions. Charles Schwab's maximum transaction fee (electronically) for mutual funds is \$24, and \$0 for ETFs and stocks (electronically). In addition to all these fees, Clients also incurs charges imposed at the fund level for mutual fund and exchange traded funds (e.g., regular management fees and other maintenance expenses). Where EFTs and stocks are traded, costs of buy/sell spreads will be incurred.

Advisor primarily recommends investments with Dimensional Fund Advisors. Dimensional Fund Advisors institutional-class mutual fund management fees and other charges may range from .08% to .85% annualized (net to investor). Dimensional ETFs range from .11% to .49% annualized.

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

- D. Advisor's investment advisory fee shall be prorated and paid quarterly, in advance, based upon quarterly beginning account balances. A minimum fee for "Supreme", "Premier", and "Preferred" level clients as described in *Item 4 (B)* is a deduction from the *Standard* or *Premium Management Schedule*, offsetting the asset under management calculation or setting the minimum fee for the calendar quarter in the event that the AUM calculation does not meet the minimum for that level.

Advisor, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its annual minimum fee or set-up fees based on certain criteria (i.e., relationship to primary household account owners, total dollar amounts to be managed, anticipated future additional assets, account composition, inception of historical advisory relationship, anticipated level of wealth services, etc.). Certain adjustments for

non-primary household accounts may not be applied similarly to clients who are not related to primary family members as to other clients.

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

The *Financial Management Agreement* between Advisor and Client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement. As of the date of termination, Advisor shall refund a pro-rated portion of the advanced advisory fee deducted based upon remaining days in the billing quarter, adjusted by the minimum fee pertaining to financial planning services provided for that quarter, if any. Charges related to financial planning services provided during the quarter under the terms of a *Financial Planning & Wealth Consulting Agreement* shall be charged against the unearned portion of the investment management portion of the fee, but not to exceed the billing for that quarter.

- E. Neither Advisor nor its representatives accept compensation (commissions) from the sale of securities or other investment related products for performing investment advisory services. As stated in *Item 5(A)* related persons can receive reimbursements for insurance product implementation with Client disclosure to offset financial planning and wealth consulting fees otherwise payable, but only where such products are in the Client "best interest" relative to products paying no commissions. In those cases, the Client would be expected to pay the planning fee as originally agreed.

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

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

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

Neither Advisor nor its representatives charge performance-based fees or engages in the practice known as side-by-side management.

Item 7/Types of Clients

Advisor offers advisory services to high-net-worth individuals and immediate family members as well as aspiring individuals and their families. Small pension and profit-sharing plans, family trusts, estates, charitable trusts and some business entities associated with high-net-worth clients, may be clients.

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

A. Methods of Analysis

Fundamental analysis in portfolio design and construction is based on dimensions of risk and *expected* return. Advisor



“structures” portfolio strategies based on rigorous theoretical and empirical research and a coherent investment philosophy derived from modern financial science. The “Fama/French” multifactor model offers a simple and elegant framework for portfolio design, analysis and investment discipline.

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

Advisor relies on multiple information sources that include financial publications, research materials, subscription services and internet resources, such as, MoneyGuide, Maxify Pro, Retirement Next Gen, Morningstar Direct and Schwab Advisor Services, but primarily resources from Dimensional Fund Advisors.

INVESTMENT STRATEGIES

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

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

Risk exposure based on the cost of capital of different asset classes is the primary determinant of long-term outcomes relative to alternative allocations. Advisor employs globally diversified portfolios to

hopefully realize planning outcomes more reliably, emphasizing wealth preservation and financial security for greater peace of mind

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

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

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

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

RISK OF LOSS

Investing always exposes investors to risk of loss. Past performance is no guarantee of results or any assurance of future returns. You may lose money, regardless how long you are invested simply due to unlucky starting and ending dates.

Different types of investments involve varying degrees of risk. The future performance of any strategy should not be assumed to be profitable or equal historic performance or returns. Outcomes are always uncertain, and are affected by unknowable future economic, political, social event and personal circumstances that could negatively impact decision-making and the ability to continue bearing investing risk.

Summarized are important risk to consider when investing:

- **Return Risks:** Past performance is not a guarantee or assurance of future returns. Investing in securities involves risks that may be out of anyone’s control including the adviser’s. There is never any guarantee that a client will meet their investment objectives and goals based on their investment policy or investing strategy.
- **Economic and Market Risk:** Companies and securities in which a client will invest may be sensitive to general downward swings in the overall economy or conditions in their specific industries or geographies. A major recession or adverse developments in the securities market might have an impact on client’s investments. Factors affecting economic conditions,

SYSTEMATICALLY STRUCTURED DIMENSIONAL INVESTMENT STRATEGIES



1. Relative price as measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.

2. Profitability is a measure of current profitability, based on information from individual companies’ income statements.



including inflation rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military, and diplomatic events and trends can adversely affect business prospect, and consequently expected investment returns.

- **Long Term Trading Risk:** Long term trading is designed to capture market rates of both return and risk. Long-term strategies can expose clients to various other types of risk which may surface at various intervals of owning particular securities. These may include inflation risk, interest rate risk, economic risk, market risk or regulatory risk.
- **Security Selection Risk:** The value of an individual security and, similarly, the value of an investment in that security, may rise or fall. Advisor's investment processes for a particular strategy may favor specific securities, industries or sectors that underperform investments in other securities, industries, sectors, or the general market.
- **Credit Risk:** The risk of loss caused by a counterparty's or debtor's failure to make a timely payment, or by the change in value of a financial instrument based upon changes in default risk.
- **Inflation Risk:** When inflation exists due to an artificial oversupply of currency to the public, a dollar next year will not be worth as much or buy as much as a dollar today. Purchasing power erodes at the rate of inflation. The value of investment returns may thereby be reduced unpredictably.
- **Securities of Investment Companies and Exchange Traded Funds Risks:** Advisor recommends exchange traded funds (ETFs) or securities of other investment companies, such as open-end investment companies. These types of investments represent interests in professionally managed portfolios that can invest in any type of instruments. Investing in ETFs and other investment companies involves substantially the same risks as investing directly in the underlying securities, but it involves additional expenses at the investment company level, such as a proportionate share of portfolio management fees and operating expenses. Certain types of investment companies and ETFs are exposed to other risks: (1) ETF and investment company shares may trade above or below their net asset value; (2) an active trading market for ETFs and investment company shares may not develop or be maintained; or (3) trading of ETFs or investment company shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers: (which are tied to large decreases in stock prices) halts stock trading generally.
- **Data Sources Risks:** Advisor uses external software applications to analyze performance attribution and to assist in investment decision making or investment research. As a result, if information that Advisor receives from a third-party data source is incorrect, Advisor may not achieve the desired results. Although Advisor has found the third-party data sources to be generally reliable, Advisor typically receives these services "as is" and cannot guarantee that the data received from these sources is accurate.
- **Technology and Cyber Security Risks:** Advisor and clients for whom we serve depend heavily on telecommunication, information technology and other operational systems,

whether Advisor's or those of others (e.g., custodians, financial intermediaries, transfer agents and other parties to which Advisor or they may outsource the provision of services or business operations). These systems may fail to operate properly or become disabled due to events or circumstances wholly or partly beyond Advisor's or their control. Further, despite implementation of a variety of risk management and security measures, Advisor's information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity, and confidentiality of data assets. Technology failures or cybersecurity breaches, whether deliberate or unintentional, including those arising from the use of third-party service providers or client usage of systems to access accounts, as well as failures or breaches suffered by the issuers of securities in which Advisor's strategies invest, could delay or disrupt our ability to do business and service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceedings and other claims, lead to a loss of clients and revenues or financial loss to our clients or otherwise adversely affect our business or the portfolios of clients and funds Advisor manages.

- **Regulatory Risks:** Laws and regulations with differing levels of impact affecting our business change almost continually. We cannot predict the long-term effects, if any, of unknowable future legal and regulatory changes on our business or the services we can continue to provide clients.
- **Risks Related to Conflicts of Interest:** Various conflicts of interest are discussed throughout this document. While we try to select clients whose interests align with that of Advisor, some conflicts cannot be avoided. For instance, we serve those able to pay our fees, not those who cannot. Please review this information carefully and contact us if you have any questions.
- **Personal planning risk:** Includes longevity risk, withdrawal risk, savings risk, leverage risk and spending risk among others that apply to the client as an individual investor and their preferences or capacity or situational ability to consistently maintain risk closely aligned with their personal investing strategy policy.

B. Advisor's primary investment strategies and methods of analysis do not present significant or unusual risks. The investment management process primarily employs mutual funds and ETFs as opposed to emphasis on selecting individual securities or speculating in short-term or leveraged trading activities.

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

The rules of the regulated mutual fund industry are intended to protect investors, and it's essential that investors take full



advantage of the available information and make decisions based on careful analysis in consultation with a financial advisor.

Advisor's method of analysis has inherent risks For an informed analysis Advisor must have access to accurate market information. Advisor has no control over the timing or dissemination rate of market or security information; therefore certain analyses may be compiled with inaccurate information, limiting the value of Advisor's analysis. There can be no assurances that any investing methodology will materialize into profitable investment strategies within a client's planning horizon, if at all under certain extreme conditions.

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

Advisor's emphasis on multifactor systematic investment strategies has special inherent risks and limitations. For example, multifactor strategies may require long periods measured in decades before factor advantages are evidenced. Client's long-term commitment to their investment policy strategy, even during extended periods of market turmoil, is necessary to participate for positive expected outcomes. Personal circumstances (such as employment, health or age) may impair Client's ability to continue bearing risk.

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

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

Item 9/Disciplinary Information

The Advisor or its representatives have not been the subject of any disciplinary actions. Advisor reviews advisory personnel records on a periodic basis to ensure that no disciplinary event have been reported. We are required to disclose all material facts regarding any

legal or disciplinary events that would be material to your evaluation of Advisor.

Item 10/Other Financial Industry Activities and Affiliations

- A. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. (8) **Licensed Insurance Agents.** Paul Byron Hill and Kam-Lin K. Hill, each a related person of Advisor, and may share in compensation payable to an agent if insurance or annuities are purchased.

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

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

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

- A. Advisor maintains an investment policy relative to personal securities transactions. This investment policy is part of Advisor's overall Code of Ethics, which serves to establish a standard of business conduct for all of Advisor's Investment Advisory Representatives that is based upon fundamental principles of openness, integrity, honesty and trust. A copy is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, Advisor also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Advisor or any person associated with Advisor.
- B. Neither Advisor nor any related person of Advisor recommends, buys, or sells for Client accounts, securities in which the Advisor or any related person of Advisor has a material financial interest.



C. Advisor and/or its representatives can buy or sell certain securities (stocks, bonds and similar securities) that may be recommended to Clients. This practice can create a situation where Advisor and/or its representatives are in a position to materially benefit from sale or purchase of those securities, creating a conflict of interest. Practices such as “scalping” (i.e., whereby owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon rise in market price following the recommendation) could take place if Advisor did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Advisor’s Clients) and other potentially abusive practices.

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

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

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

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

(2) Interests of Advisor’s Access Persons often correspond with those of Clients, and Advisor invests in Dimensional funds similar to those they recommend to Clients. Open-end mutual funds and/ or variable annuity subaccounts are purchased or redeemed at a fixed net asset value price per share specific to the

date of purchase or redemption. Such transactions by Access Persons are relatively small and unlikely to have any material impact on prices of fund shares in which Clients invest. Therefore, mutual funds purchases are NOT prohibited by Advisor’s personal securities transaction policy.

Item 12/Brokerage Practices

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

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

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



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

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

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

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

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

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

Item 13/Review of Accounts

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

FINANCIAL PLANNING & WEALTH CONSULTING:

Annual portfolio planning and retirement/legacy planning reviews are provided for Supreme, Premier and Preferred Clients, plus additional reviews as needed for those who requesting them. Other clients receive only a portfolio and financial planning meeting annually. The wealth management process, and the eligibility and number of annual reviews and monitoring, is described in *Item 4 (B)* above. Personal reviews are provided not less often than annually, and only at Client request based on their service level.

FINANCIAL MANAGEMENT SERVICES: Financial Management reviews for portfolios are included as part of the annual planning process offered to clients. Portfolios are reviewed by Advisor in detail quarterly. Portfolio review meetings with Premier and Preferred clients typically are combined with some aspect of financial planning consulting. Standard level clients have an investment review meeting only once a year.

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

Item 14/Client Referrals and Other Compensation

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

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

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

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



Item 15/Custody

Advisor has the ability to have its advisory fee for each Client debited periodically by broker-dealer/custodians. This is only for those Clients who do not pay directly for advisory services from quarterly billings. Deducting fees from Client accounts through a detailed procedure supervised by the broker-dealer/ custodian is the sole extent of Advisor custody of Client assets. Broker-dealer/custodians do not verify the accuracy of Advisor's advisory fee calculations.

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

Item 16/Investment Discretion

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

Item 17/Voting Client Securities

- A. The Advisor does not vote Client proxies. Clients maintain exclusive responsibility for: (1) directing the way proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Advisor to discuss any questions they may have with a particular solicitation.

Item 18/Financial Information

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

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



PROFESSIONAL
FINANCIAL
Purposeful Wealth Management

Professional Financial Strategies, Inc.

SEC File Number: 801-107130

IARD/CRD File Number: 125580

Firm Supplement

Form ADV, Part 2B

Dated March 30, 2022

Paul Byron Hill

Chief Compliance Officer

1159 Pittsford-Victor Road, Suite 120

Pittsford, NY 14534

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www.professionalfinancial.com

This brochure provides information about the qualifications and business practices of Professional Financial Strategies, Inc. (the "Advisor"). If you have any questions about the contents of this brochure, please contact us at (585) 218-9080 or paulhill@professionalfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. References herein to Advisor as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

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

Item 1/Cover Page

Professional Financial Strategies, Inc.

Firm Supplement

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Paul Byron Hill

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

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

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

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

Item 2/Education Background and Business Experience

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

Mr. Hill has been a **CERTIFIED FINANCIAL PLANNER™ professional (CFP®)** since 1983. He is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board") and may use that certification and CFP® Board's other marks (the "CFP® Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP® Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP® Board-approved coursework at a college or university through a CFP® Board Registered Program. The coursework covers the financial planning subject areas CFP® Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP® Board's *Code of Ethics and Standards of Conduct* ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP® Board Certification Marks:

- **Ethics** – Commit to complying with CFP® Board's Code and Standards. This includes a commitment to CFP® Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP® Board may sanction a CFP® professional who does not abide by this commitment, but CFP® Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete at least 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.



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

ChFC® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Mr. Hill has held a **Wealth Management Certified Professional (WMCP®)** designation since 2019. WMCP® is a designation teaching advisers concept, techniques and best practices for comprehensive wealth management. The education covers topics in life-cycle theory, goals-based planning, portfolio investment strategy, financial instruments, strategic wealth management, and specialized complex planning strategies. Candidates must take five academic courses that represent an average study time of more than 150 hours followed by an intensive four-hour mastery exam.

WMCP® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Mr. Hill has held a **Retirement Income Certified Professional (RICP®)** designation since 2020. The RICP® designation teaches advisers techniques and best practices used to create sustainable streams of retirement income. The education covers retirement income planning, maximizing Social Security and other income sources, minimizing risks to the plan, and managing portfolios during the asset distribution phase. The designation includes three required, college-level courses that represent a total average study time of more than 150 hours.

RICP® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

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

Conflict of Interest: The recommendation of purchasing a financial instrument presents a material conflict of interest, as reimbursement fees as insurance brokers may provide an incentive to recommend products based on commissions received rather than need. However, reimbursement fees paid to a related party of Professional Financial would waive advisory fees payable for consulting related to life insurance and annuity planning and implementation.

Both as CFP® professionals and as licensed brokers in New York, related persons of Professional Financial have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of clients (CFP® professional fiduciary standards, Title I of the Employee Retirement Income Security and/or the Internal Revenue Code as applicable, and the New York Department of Financial Services Reg 187 apply). Where non-commissionable insurance and annuity instruments are determined to be in a client's best interest, they will be implemented, and client will pay the agreed planning and consulting fee. NOTE: Implementing SPIA, DIA and QLAC annuities will avoid ongoing advisory fees that Advisor would otherwise earn from AUM fees, and so provide lower long-term costs as well as longevity protection.

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

Item 5/Additional Compensation

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

Item 6/Supervision

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

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

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Professional Financial Strategies, Inc.

Firm Supplement

Dated March 30, 2022



Kam-Lin Kok Hill

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

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

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

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

Item 2/Education Background and Business Experience

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

Ms. Hill has been a **CERTIFIED FINANCIAL PLANNER™ professional (CFP®)** since 2005. She is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board") and may use that certification and CFP® Board's other marks (the "CFP® Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP® Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP® Board-approved coursework at a college or university through a CFP® Board Registered Program. The coursework covers the financial planning subject areas CFP® Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP® Board's *Code of Ethics and Standards of Conduct* ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP® Board Certification Marks:

- **Ethics** – Commit to complying with CFP® Board's *Code and Standards*. This includes a commitment to CFP® Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP® Board may sanction a CFP® professional who does not abide by this commitment, but CFP® Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete at least 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.



Ms. Hill holds a **Chartered Financial Consultant (ChFC®)** designation since 2004. ChFC® is a financial planning designation for the financial services industry. Candidates must meet education, experience, examination, and ethical requirements. Candidates must have at least three years of experience in the financial industry, or an under-graduate or graduate degree from an accredited university and two years of experience in the financial services industry. Candidates must take nine academic courses each followed by an exam. Courses and exams cover topics in finance, investing, insurance, and estate planning, with ongoing continuing education and ethics requirements.

ChFC® designees must meet experience, continuing education and ethics requirements. The credential is awarded by The American College, a non-profit educator founded in 1927 and the highest form of academic accreditation.

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

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

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

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

Conflict of Interest: The recommendation of purchasing a financial instrument presents a material conflict of interest, as reimbursement fees as insurance brokers may provide an incentive to recommend products based on commissions received rather than need. However, reimbursement fees paid to a related party of Professional Financial would waive advisory fees payable for consulting related to life insurance and annuity planning and implementation.

Both as CFP® professionals and as licensed brokers in New York, related persons of Professional Financial have a fiduciary duty to diligently evaluate all products, services and transactions available, relevant suitability information, and justifiable cost, reasonable performance and appropriate risk in the best interest of clients (CFP® professional fiduciary standards, Title I of the Employee Retirement Income Security and/or the Internal Revenue Code as applicable, and the New York Department of Financial Services Reg 187 apply). Where non-commissionable insurance and annuity instruments are determined to be in a client's best interest, they will be implemented, and client will pay the agreed planning and consulting fee. NOTE: Implementing SPIA, DIA and QLAC annuities will avoid ongoing advisory fees that Advisor would otherwise earn from AUM fees, and so provide lower long-term costs as well as longevity protection.

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

Item 5/Additional Compensation

None.

Item 6/Supervision

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

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

Item 1/Cover Page

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

Dated March 30, 2022



Peter C. Van Der Voorn

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

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

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

Background and Business Experience

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

Mr. Vandervoorn has been a **CERTIFIED FINANCIAL PLANNER™ professional (CFP®)** since 2001. He is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board") and may use these and CFP Board's other marks (the "CFP Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

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- **Education** – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- **Examination** – Pass the comprehensive CFP® Certification

Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.

- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP Board's *Code of Ethics and Standards of Conduct* ("Code and Standards"), which sets forth the ethical and practice standards.

Individuals who become certified must complete the following to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – CFP® Commit to complying with CFP Board's *Code and Standards*. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.

Item 3/Disciplinary Information

None.

Item 4/Other Business Activities

- The supervised person is not actively engaged in any other investment-related businesses or occupations not related to financial planning other than income tax preparation.
- The supervised person is seasonally engaged in a non-investment-related business or occupation for compensation with H & R Block as an income tax preparer that may include Clients of Advisor.

Item 5/Additional Compensation

None.

Item 6/Supervision

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

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