

PINNACLE INVESTMENTS, LLC

Part 3 of Form ADV: Firm Brochure

March 15, 2022

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SEC File Number: 801-67860
CRD Number: 142910

This brochure provides information to retail investors regarding a relationship summary that discloses certain information about Pinnacle Investments, LLC ("Pinnacle Investments"). If you have any questions about the contents of this brochure, please contact us at (315) 251-1101 and/or compliance@pinnacleinvestments.com

Current copies of this brochure are available online at: pinnacleinvestments.com/disclosures

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.

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

We are dually registered with FINRA & SEC, although registration does not imply a certain level of skill or training.

Item 1: Introduction

- A. Pinnacle Investments is registered with the Securities and Exchange Commission as both a Broker-Dealer ("BD") and Registered Investment Adviser ("RIA"). Pinnacle Investments is a member firm of FINRA, MSRB and SIPC.

Pinnacle Investments provides both broker-dealer and investment advisory services and fees differ. It is important for the retail investor to understand the differences.

- B. Free and simple tools are available to research firms and financial professionals at **Investor.gov/CRS**, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2: Relationships and Services

A. What investment services and advice can you provide me?

B. Description of Services

Pinnacle Investments offers brokerage and investment advisory services to retail investors. Pinnacle Investments offers the following advisory services: financial planning, portfolio management for individuals and/or small businesses, selection of other advisers, investment advisory service, and investment advice through consultation. In addition, Pinnacle Investments offers brokerage services, including buying and selling securities.

Pinnacle Investments, when acting as a registered investment adviser, earns management fees based upon the asset value in your account.

Pinnacle Investments, when acting as a broker-dealer acts in an agency and principal capacities. The term **capacity**, in general, refers to whether your **broker-dealer** acts as your **agent**, on your behalf, in the transaction; or whether your **broker-dealer** acts as a principal, for its own account, in the transaction.

The primary form of charging your account in an agency transaction is via transaction-based commissions. The primary form of charging your account in a principal transaction is via markups/markdowns on your transactions.

Pinnacle Investments does offer recommendations to retail investors.

- (i) **Monitoring:** Pinnacle Investment's advisors, when acting as investment adviser representatives (IARs), review retail investors investments on an annual basis. However, we do not formally monitor client accounts.
- (ii) **Investment Authority:** Pinnacle Investments when acting as an investment adviser, accepts discretionary authority.

Pinnacle Investments, when acting as a broker-dealer, makes recommendations to retail investors. These recommendations are in accordance with FINRA Rule 2111. FINRA Rule 2111 requires, in part, that a broker-dealer or associated person "have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the firm or associated person to ascertain the customer's investment profile." In general, a customer's investment profile would include the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs and risk tolerance.

- (iii) **Limited Investment Offerings:** Pinnacle Investments offers advice on both proprietary as well as non-proprietary products. Pinnacle Investments does not offer a limited menu of products or types of investments. Regardless of the products Pinnacle Investments' representatives offer our representatives act in the best interest of the client.

- (iv) **Account Minimums and Other Requirements:**

Pinnacle Investments does not have minimums on any of our broker-dealer services.

C. Additional Information:

Pinnacle Investments is a dually registered Broker-Dealer ("BD") and Registered Investment Adviser ("RIA").

Pinnacle Investments is a member firm of FINRA and SIPC. We were founded in the year 1995 and are organized as a limited liability company under the laws of New York State. Our fiscal year ends in the month of December each year.

Pinnacle Investments is 100% owned by Pinnacle Holding Company, LLC which is organized as a limited liability company. There are no individual owners of 25% or more of Pinnacle Holding Company, LLC. FKAPI, Inc., a domestic entity, owns 25% or more of Pinnacle Holding Company, LLC.

Pinnacle Investments provides continuous and regular supervisory or management services to securities portfolios. As of December 31, 2021, assets under management ("AUM") managed on a discretionary basis was \$873,456,937 while AUM managed on a non-discretionary basis was \$4,074,019.

Pinnacle Investments in conjunction with our Investment Advisor Representatives ("Pinnacle IAR") offers the following advisory services: financial planning, portfolio management for individuals and/or small businesses, selection of other advisers, investment advisory service, and investment advice through consultation not included in aforementioned services.

Mutual Funds and Exchange-Traded Funds in Advisory Programs

Mutual fund companies typically offer multiple share classes of each of their mutual funds with varying levels of fees and expenses. Mutual funds or share classes offered through our advisory Programs are not necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory account, such as ETFs. In addition to the Program fee, you will also bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser. These expenses are an additional expense to you and not covered by the Program fee; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the Program fees, when considering any advisory Program and the total compensation we receive. Other funds and share classes may have different charges, fees, and expenses, which may be lower than the charges, fees, and expenses of the funds and share classes made available in the Program. An investor who holds a less-expensive share class of a fund will pay lower fees over time – and may earn higher investment returns - than an investor who holds a more expensive share class of the same fund.

Pinnacle Investments may use some or all of the following factors when determining if an advisory / wrap-fee program is in the best interest of the client including: trading activity, custody fees, portfolio management and client service fees. Pinnacle Investments pays portfolio managers up to 100% of the wrap-fee paid by clients.

AdvisorPro

Pinnacle IARs may provide investment advisory services to your account on a discretionary basis in their role of Portfolio Manager. Based on your investment objectives and individual needs your Portfolio Manager will have discretion to manage your assets. Pinnacle Investments' Portfolio Managers maintain any required industry examinations and registrations. Individual Portfolio Managers may develop specific investment strategies using a mix of analytic methods. Such strategies ordinarily include long-term and short-term securities purchases and, depending on your objectives and the Portfolio Manager's investment philosophy, supplemental covered option writing in addition to the long positions of calls and/or puts. In special circumstances, the strategies may also

include margin transactions, other option strategies, leverage or short-sale transactions. Due to any number of factors, including timing of deposits, investment selection process or investment needs, certain clients may receive different execution prices and investment results. Accounts are managed on a discretionary basis.

AdvisorPro is offered to Pinnacle Investments clients for accounts custodied by First Clearing, Charles Schwab or TD Ameritrade.

Pinnacle Capital Management

Pinnacle Capital Management, LLC ("PCM") was founded in August 2006 and is a wholly owned subsidiary of Pinnacle Holding Company, LLC. PCM is organized as a Delaware limited liability company.

PCM provides investment supervisory services and offers advice on:

- equity securities (exchange-listed securities, securities traded over-the-counter, foreign issuers)
- corporate debt securities
- commercial paper
- certificates of deposit (bank CDs)
- municipal securities
- investment company securities (mutual fund shares)
- hedge funds
- United States government securities
- options contracts on securities
- interests in partnerships investing in real estate
- asset backed securities (ABS) including but not limited to residential real estate mortgage-backed securities (MBSs), collateralized loan obligations (CLOs), commercial mortgage-backed securities (CMBSs), and ABS backed by credit card receivables, auto loans, and equipment leases,
- private placement debt securities.

PCM offers advisory services and sub-advisory services, where appropriate, to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, investment companies, hedge funds, corporations, insurance companies and other business entities.

PCM provides advice to clients regarding investment of assets based on the individual needs of the client. Client investment objectives, risk tolerances and time horizon are established at the beginning of each client relationship and updated as client needs change. If desired, PCM will assist clients in developing a personal investment policy and create and manage a portfolio based on that policy. PCM will manage advisory accounts on either a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of each client.

PCM will create a portfolio, or advise on the creation of a portfolio, consisting primarily of individual equities, exchange traded funds, mutual funds, hedge funds, fixed income securities and cash equivalents (e.g., money market funds). PCM will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The mutual funds, hedge funds and exchange traded funds will be selected based upon any or all of the following criteria: the fund's performance history; the industry or geographic sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's

management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by the investment style selected based on each client's individual needs and circumstances.

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities. As appropriate, PCM may engage in margin transactions or option writing for client accounts. As these strategies involve additional risks, they will only be recommended when consistent with the client's stated risk tolerance.

PCM acts as a portfolio manager for the advisory programs discussed below with trades executed through the sponsor of the program. This form of directed brokerage may result in trading costs and execution services that are not as advantageous to the client as when PCM seeks "best execution." PCM receives a portion of advisory fee for its portfolio management services.

PCM provides portfolio management services in the Pinnacle Investments' Pinnacle Capital Management Separately Managed Account Program ("PCM SMAP"). PCM SMAP is an advisory program where Pinnacle Investments, a dually registered firm affiliated with PCM through common ownership and control, acts as adviser. PCM is the sub-adviser responsible for portfolio management services within the program. As part of its portfolio management services, depending on the version of the PCM SMAP agreement, PCM may vote proxies on behalf of participants. PCM is compensated by Pinnacle Investments for providing portfolio management services for clients participating in the PCM SMAP program. Participants in PCM SMAP are clients of Pinnacle Investments and not advisory clients of PCM. Pinnacle Investments is responsible for assisting clients in understanding the PCM SMAP program as in light of the client's investment objectives and financial situation – initially and on an ongoing basis. Pinnacle Investments is also responsible for client communication, portfolio reviews, client services, account maintenance and communicating client portfolio strategy changes to PCM. PCM manages client portfolios in accordance with the portfolio strategy selected on the PCM SMAP agreement with full trading discretion, subject to written restrictions, and does not act in any other capacity. These clients should refer to PI's disclosure document for the program for additional information.

Charles Schwab & Co., Inc. (Schwab):

Economic Benefits of Being on the Schwab Platform

Products & Services Available to Us From Schwab:

AdvisorPro, As mentioned above, AdvisorPro is available to Pinnacle Investments clients for accounts custodied by First Clearing, Charles Schwab or TD Ameritrade. In addition to the description below please see the description of AdvisorPro above.

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like ours. They provide Pinnacle Investments and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis, at no charge to advisors.

Services that Benefit Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients or their account(s).

Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab.

In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

Charles Schwab Institutional Intelligence Portfolio Automated Investment Management Platform:

We offer an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds and/or mutual funds ("Funds") and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). [(Option 1) The System includes an online questionnaire that can help us determine the client's investment objectives and risk

tolerance and select an appropriate investment strategy and portfolio. Clients should note that, if we use the online questionnaire, we will recommend a portfolio via the System in response to the client's answers to the online questionnaire.] [(Option 2) Based on information the client provides to us, we will recommend a portfolio via the System.] The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under *Item 5 Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

TD Ameritrade Investment Management, LLC (TD) Platform

AdvisorPro is offered to clients of Pinnacle Investments whose accounts are custodied by TD Ameritrade Platform so please also see the AdvisorPro description above.

TD Ameritrade

TD Ameritrade Advisor Services is TD Ameritrade's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to TD Ameritrade retail customers. TD Ameritrade also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. TD Ameritrade's support services are generally available on an unsolicited basis, at no charge to advisors.

Services that Benefit Client

TD Ameritrade's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through TD Ameritrade include some that we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. TD Ameritrade's services described in this paragraph generally benefit clients or their account(s).

Services that May Not Directly Benefit Clients

TD Ameritrade also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both TD Ameritrade's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at TD Ameritrade. In addition to investment research, TD Ameritrade also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

TD Ameritrade also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

TD Ameritrade may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. TD Ameritrade may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through TD Ameritrade, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

TD Ameritrade has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to TD Ameritrade. We encourage you to review TD Ameritrade's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to TD Ameritrade's most recent pricing schedules available at [TD Ameritrade.com/aspricingguide](https://www.tdameritrade.com/aspricingguide).

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other

fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

In the event Pinnacle Investments offers transaction-based pricing, the Pinnacle IAR may absorb certain transaction costs in wrap fee accounts. As such the Pinnacle IAR may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades.

Advisory fees are not charged on assets that are not directly under our management. Advisory fees will be charged for other assets, including cash held within the portfolio strategy. To see what you would pay for transactions in a non-wrap account please refer to TD Ameritrade's most recent pricing schedules available at https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA4855.pdf

Wrap-Fee Programs Offered:

Pinnacle Investments offers clients the following Wrap Fee ("Wrap-Fee") Programs:

Ascend

Pinnacle Investments has entered into an agreement with Betterment, LLC to utilize its platform for our Ascend program. The Ascend program is designed to help investors achieve their goals by providing broad diversification and automatic rebalancing combined with ongoing advice from a Pinnacle IAR. Accounts are managed on a discretionary basis.

Account Requirements: There is no minimum requirement for account size to participate in the Ascend program. The program is intended for use by retail clients.

Wells Fargo Advisors Programs

Pinnacle Investments has entered into an agreement with Wells Fargo Advisors ("WFA"), pursuant to which WFA provides advisory and/or other services ("WFA Programs". Clients of investment advisory accounts described herein are clients of Pinnacle Investments. Pinnacle Investments is not related to or affiliated with WFA or Wells Fargo Clearing Services, LLC (the "Clearing Agent"). Unless otherwise specified, Clearing Agent will maintain custody of client assets. Clearing Agent qualifies as a "qualified custodian" as described by Rule 206(4)-2 of the Investment Advisers Act. WFA and Clearing Agent each reserves the right to reject and not provide services to any client or with respect to any client account for any reason.

WFA provides advisory and other services to Pinnacle Investments with respect to the following WFA Programs: 1) Personalized Unified Managed Account (Personalized UMA), 2) FundSource, and 3) Customized Portfolio. Please review the appropriate WFA Disclosure Documents for a complete description of each program.

WFA does not provide advisory services to Pinnacle Investments with respect to 1) Private Investment Management ("PIM"), 2) Asset Advisor and 3) CustomChoice. While Pinnacle Investments is the

sponsor of these advisory programs, WFA provides certain non-advisory services which enable Pinnacle Investments to offer these programs.

The Pinnacle IAR may receive compensation as a result of the Client's participation in the program. The amount of this compensation may be more than what the Client may receive if the Client participated in Pinnacle's other programs or paid separately for investment advice, brokerage, and other services. The Pinnacle IAR, therefore, may have a financial incentive to recommend the wrap fee program over other programs or services.

Personalized Unified Managed Account (Personalized (UMA))

The Personalized UMA is a unified managed account that offers access to a variety of investment strategies on a single wealth management platform. Unified Managed Accounts (UMAs) allow you to combine mutual funds, exchanged-traded funds (ETFs), separately managed accounts (SMAs), annuities and Wells Fargo Investment Institute's professionally managed blends into one comprehensive account, which may be customized in an effort to meet your investment goals.

Masters: In the case of Masters, Pinnacle Investments will assist each Client in reviewing the Client's investment objectives, including any restraints designated with respect to securities to be invested in the Client's Account(s), and in selecting among a universe of WFA affiliated and unaffiliated investment advisors that WFA shall provide to Pinnacle Investments. The investment advisors in such universe (the "Masters Managers"), including investment advisors that are or subsequently become affiliates of WFA, are evaluated by WFA and meet WFA's minimum quantitative and qualitative research criteria. In certain cases, the Masters Managers will manage Client Accounts on a discretionary basis. In other cases, WFA will manage the Account on a discretionary basis based on advice provided to WFA by various investment advisors ("Model Managers") as to the securities and other investments to be purchased and sold for a particular strategy. WFA will generally implement the Model Manager's recommendations without change, subject to any reasonable restrictions the Client may impose. WFA or the Masters Manager, as applicable, will handle the day-to-day investment management of the Account, in whole or in part, in accordance with the Client's stated investment objectives and will buy, sell or otherwise trade and settle securities or other investments for Client's Account without discussing these transactions with the Client in advance. Where investment discretion has been allocated to the Master's Manager, WFA will not be responsible for any decision made by the Masters Manager as to the day-to-day management of the Account.

WFA may, in its investment discretion, add or remove Masters Managers from the universe provided to Pinnacle. WFA will notify Pinnacle Investments prior to adding or removing a Masters Manager from the universe it provides to Pinnacle Investments. Pinnacle Investments will be responsible for communicating these changes to Clients and giving WFA direction if the Client does not want to accept the changes being implemented by WFA. In any event, the Masters Manager that is being removed from the universe will no longer be available through the Program to Pinnacle Investments.

Direct Managed Allocation ("DMA"): In the case of DMA, Pinnacle Investments will assist each Client in reviewing Client's investment objectives, including any restraints designated with respect to securities to be invested in the Client's Account, and in selecting among several Optimal Blends which are target allocations developed by WFA comprised of strategies of certain WFA affiliated and unaffiliated investment advisers (including WFA) ("DMA Managers"), mutual funds and/or ETFs. Pinnacle Investments may also assist Clients in creating a Customized Blend and target allocation by selecting from the list of available of DMA Managers, mutual funds, and/or ETFs. Mutual funds and/or ETFs may be selected individually or as a strategy (known as "Completion Sleeve") within a Customized Blend or may also be included as part of an Optimal Blend.

In certain cases, the DMA Managers will manage Client Accounts on a discretionary basis. In other cases, WFA will manage a portion of Client's Account ("Sub-Account") on a discretionary basis based on advice provided to WFA by various investment advisers ("Model Managers") as to the securities and other investments to be purchased and sold for a particular investment strategy. WFA will generally implement the Model Manager's recommendations without change, subject to any reasonable restrictions the Client may impose. The DMA Manager responsible for the selected strategy will handle the day-to-day investment management of the Account, in whole or in part, in accordance with Client's stated investment objectives and will buy, sell or otherwise trade and settle securities or other investments for the Account without discussing these transactions with the Client in advance. Where investment discretion has been allocated to the DMA Manager other than WFA ("Discretionary Manager"), WFA will not be responsible for any decision made by the DMA Manager as to the day-to-day management of the Account. Manager Profiles associated with the selected investment strategy will indicate whether the DMA Manager is acting as a Discretionary Manager or Model Manager. WFA will notify Pinnacle Investments prior to adding, removing or replacing Discretionary Managers, or mutual funds, or otherwise changing an Optimal Blend, and Pinnacle Investments will be responsible for communicating these changes to Clients and giving WFA direction if the Client does not want to accept the changes being implemented by WFA. The mutual fund allocation will be managed by Pinnacle in a separate Sub-Account.

Wells Fargo Compass Advisory: In the case of Wells Fargo Compass advisory, Pinnacle Investments and the applicable Wells Fargo Compass portfolio manager(s) will, based upon the information contained in the applicable Client's Questionnaire and based upon model investment portfolios designed for a specific investor that WFA shall provide to Pinnacle Investments, invest and reinvest for each Client, on a discretionary basis without contacting the Client for prior approval, securities and/or cash that the Client may from time to time deposit in the Client's Account.

Allocation Advisors: In the case of allocation Advisors, Pinnacle Investments and the applicable WFA Allocation Advisors portfolio manager(s) will, based upon the information contained in the applicable Client's Questionnaire and based upon model investment portfolios designed for a specific investor that WFA shall provide to Pinnacle Investments, invest and reinvest for each Client, on a discretionary basis without contacting the Client for prior approval, securities, including Exchange Traded Funds and exchange Traded Notes and/or cash that the Client may from time to time deposit in the Client's account.

Customized Portfolios: In the case of Customized Portfolios, Pinnacle Investments will assist each client in reviewing the Client's investment objectives, including any restrictions designated by the Client with respect to investment securities to be invested in the Client's Account. In addition, Pinnacle Investments will assist the Client in transitioning the Client's concentrated Account to a tailored portfolio made available through Customized Portfolios by an affiliate of WFA, Wells Fargo Bank, N.A., which acts as investment manager for the Account.

FundSource

FundSource is a discretionary investment advisory Program that offers a broad array of mutual funds that invest in and across different investment asset classes and employ varied approaches to investment management. "Optimal Blends" are managed portfolios of recommended funds, based on due diligence and asset allocation guidance provided by, Wells Fargo Investment Institute ("WFII"), for a number of different investment objectives. Based on your investment objectives, financial circumstances and risk tolerance, your Pinnacle IAR will recommend either an Optimal Blend or a Customized Blend, created in consultation with you, which you may select as the target allocation for your Account. Once you choose an Optimal or Customized Blend, the assets in your Account will be invested by your Financial Advisor on a discretionary basis. The combination and allocation strategy of the selected mutual funds in an Optimal Blend is based on the appropriate target asset allocation and/or risk/return profile for your investment objective and risk tolerance. The target allocation for Customized Blends is determined at the time your Account is established in the FundSource Program. In order to maintain the Account in conformance with your targeted fund allocations, WFA will automatically rebalance it periodically if actual allocations vary by more than certain established percentages from the target allocation. We will generally rebalance the Account annually, unless market conditions indicate we should do so more frequently. You may also request us to rebalance your Account as necessary. If your Account is managed pursuant to a Customized Blend, you may opt out of automatic rebalancing. Accounts are managed on a discretionary basis.

Private Investment Management ("PIM")

The PIM Program utilizes stocks, bonds, cash, Program eligible mutual funds, ETFs, CEFs, fee based UITs, CDs and covered options to construct the investment portfolio. Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. Individual PIM Portfolio Managers may develop specific investment strategies which ordinarily include long and short-term securities purchases and, depending on your objectives and the Portfolio Manager's investment philosophy, supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option strategies and trading or short sale transactions. Accounts are managed on a discretionary basis by the Pinnacle Investments' IAR.

Asset Advisor

Asset Advisor is a non-discretionary, Client directed investment Program in which your Pinnacle IAR may provide a broad range of investment recommendations based on your investment objectives, financial circumstances and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your Account. Most types of securities are eligible for purchase in an Asset Advisor Account including, but not limited to, common and preferred stocks, exchange-traded funds ("ETF"), closed-end funds ("CEF"), fee-based unit investment trusts ("UIT"), corporate and government bonds, certificates of deposit ("CD"), options, structured products, certain mutual funds whose shares can be purchased at net asset value, certain wrap class alternative investments, such as hedge funds and managed futures funds, and certain wrap class variable annuities. Collectively, these are referred to as "Program Assets." Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. Accounts are not managed on a discretionary basis.

CustomChoice

CustomChoice is a non-discretionary, Client directed mutual fund investment Program. Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. Your Pinnacle IAR may provide investment recommendations based on your investment objectives, financial circumstances and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your Account. Accounts are not managed on a discretionary basis.

Account Requirements

The minimum initial account values for the Programs in this document are listed below. Under certain circumstances, the minimum account size may be waived. WFA may act as sub-adviser for the advisory programs. The minimum and maximum account size required by Pinnacle Investments may differ than that required by WFA as stated in the WFA advisory program Brochure or applicable Disclosure Document. You should refer to the chart below, as appropriate, to determine the minimum account size requirements.

Program Name	Minimum Account Size
AdvisorPro – First Clearing, Schwab and TD Ameritrade	\$10,000 may be waived
Pinnacle Capital Management	\$100,000 may be waived
Ascend	No minimum
Personalized UMA	\$200,000 Optimized Blends \$15,000 Customized Blends
SMA Strategies	\$50,000 subject to Manager's minimum
Allocation Advisors Strategies	
ESG Aware, Tactical Active/Passive and Intuitive Investor ETF	\$10,000
Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic US Inflation	\$25,000
CAAP plus and Tactical ETF	\$50,000
Wells Fargo Compass Asset Allocation Strategies	
Conservative Growth & Income	\$250,000
Moderate Growth & Income	\$250,000
Aggressive Growth & Income	\$250,000
Conservative Growth	\$250,000
Moderate Growth	\$250,000
Aggressive Growth	\$150,000
Customized Portfolios Equity Strategies	\$50,000
FundSource	\$25,000
FundSource Foundations	\$10,000
Private Investment Management ("PIM")	\$50,000
CustomChoice	\$25,000

Asset Advisor	\$25,000
Charles Schwab Institutional Intelligence Portfolio	\$5,000 Minimum
CustomChoice	\$25,000

Types of Clients

Types of Clients

Pinnacle Investments may provide the advisory services described in this brochure to individuals, pension or profit-sharing plans, trusts, estates or charitable organizations, corporations or other business entities, governmental entities and educational institutions, as well as banks or thrift institutions.

Charles Schwab Institutional Intelligence Portfolio Automated Investment Management Platform: Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program.

D. Conversation Starters: Below are sample questions for retail investors to ask a financial professional and start a conversation about relationships and services:

- (i) Given my financial situation, should I choose an investment advisory service? Why or why not?**
- (ii) How will you choose investments to recommend me?**
- (iii) What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

ITEM 3. Fees, Costs, Conflicts and Standard of Conduct

A. What fees will I pay?

(i) Description of Principal Fees and Costs

- a. Pinnacle Investments, when acting as a broker-dealer acts in an agency and principal capacities. The term capacity, in general, refers to whether your broker-dealer acts as your agent, on your behalf, in the transaction; or whether your broker-dealer acts as a principal, for its own account, in the transaction.

The primary form of charging your account in an agency transaction is via transaction-based commissions. The primary form of charging your account in a principal transaction is via markups/markdowns on your transactions.

A retail investor would be charged more when there are more trades in his or her account, and that our firm may therefore have an incentive to encourage a retail investor to trade often.

Please see list of fees below (also available at: pinnacleinvestments.com/disclosures)

(b) Pinnacle Investments charges asset-based fees, as such the more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees, and Pinnacle Investments may therefore have an incentive to encourage retail investor to increase the assets in his or her account. Fees are described below.

(1) We have wrap fee program fees with asset-based fees associated with the wrap fee program will include most transaction costs and fees and are therefore higher than typical asset-based advisory fees.

(2) With respect to conflicts of interest, the more assets that are in a retail investor's advisory account, the more the retail investor will pay in fees, and the firm will have an incentive to encourage the retail investor to increase the assets in his or her account.

(ii) **Description of Other Fees**

In addition to the fees and costs disclosed in Item 3.A.(i), retail investors may pay directly or indirectly fees such as custody fees, account maintenance fees, fees related to mutual funds and variable annuities, and other transactional fees and product-level fees.

Specific fees for when Pinnacle Investments is acting as a broker-dealer and investment advisor are listed below and can also be found at pinnacleinvestments.com/disclosures

List of Pinnacle Fees:

Statement of Interest Charges

Accounts on which Interest is Charged • Calculation of Interest • Lien and Collateral

To assist you in managing your borrowing needs and to familiarize you with the terms under which credit is extended on your account, we have developed this Statement of Interest Charges. Please review this Statement of Interest Charges prior to utilizing credit.

Accounts on which Interest is Charged

Interest may be charged on margin credit extended for the purpose of purchasing, carrying or trading in securities. Interest charges are calculated on a settlement date basis and details supporting such calculation will be displayed on your monthly statement.

Payments for purchases in cash accounts should be received on or before the settlement date shown on the trade confirmation. If your payment is received after that date, an interest charge may be posted to your cash account.

Proceeds from a sale in a cash account are not required to be disbursed prior to the settlement date shown on the trade confirmation. Occasionally, we may honor a request to disburse sale proceeds prior to settlement date. If this privilege is utilized, an interest charge may be posted to your account.

Calculation of Interest

Your annual rate of interest will vary depending on the size of your daily adjusted debit balance. The daily adjusted debit balance is the net total of the settled balances in your account.

Short positions are "marked-to-market" daily. Since the security sold short must be borrowed in order to deliver it to the buying broker, the credit that results from the sale is not available to you. The market value of the short sale is debited against your margin balance to arrive at a daily adjusted debit

balance for interest purposes. The daily closing price is used to determine any appreciation or depreciation of a security sold short, which will adjust your daily adjusted debit balance.

You may be charged additional fees in connection with establishing and maintaining a short position and such charges may be disclosed to you at the time a short position is established or may be imposed or increased from time to time in light of changing market conditions. When a security that you have sold short is no longer easy-to-borrow, we may make an immediate change to any fees that may be paid by you or assessed to your account to reflect current rates relating to the borrow.

The annual rate of interest applicable to your account will be computed using a selected rate above the Wall Street Journal (WSJ) Prime Rate. Your annual rate of interest may change, without prior notice to you, in accordance with changes to the WSJ Prime Rate. If the interest rate charged to you is individually negotiated (a "Negotiated Rate"), such Negotiated Rate will be a percentage at, above or below the WSJ Prime Rate.

Your Negotiated Rate will change consistent with changes to the WSJ Prime Rate without prior notice to you. We may terminate your Negotiated Rate without prior notice to you and you will be charged an interest rate above your Negotiated Rate but not more than our table of interest rates.

For the current WSJ Prime Rate, please visit: www.wsj.com/market-data/bonds/moneyrates or contact your Financial Professional.

The table of interest rates is as follows:

<u>Margin Debit Balance</u>	<u>Rate of Interest</u>
\$0 to \$24,999.99	WSJ Prime + 5.875%
\$25,000 to \$49,999.99	WSJ Prime + 4.750%
\$50,000 to \$99,999.99	WSJ Prime + 4.625%
\$100,000 to \$249,999.99	WSJ Prime + 3.000%
\$250,000 to \$499,999.99	WSJ Prime + 2.875%
\$500,000 to \$999,999.99	WSJ Prime + 2.750%
\$1,000,000 to \$4,999,999.99	WSJ Prime + 2.250%
\$5,000,000 to \$9,999,999.99	WSJ Prime + 1.750%
\$10,000,000 and above	WSJ Prime + 1.500%

Interest is computed daily on the basis of a 360-day year using the following formula:

$$\frac{\text{Adjusted Debit Balance}}{1} \times 100 \times \frac{\text{Interest Rate}}{360} \times \text{Number of Days}$$

Lien and Collateral

Wells Fargo will maintain a first priority perfected security interest in the securities or other property (the "Securities Collateral") in your account when credit is extended to you. You agree to promptly satisfy all margin and maintenance calls. Should your account fall below margin maintenance requirements, Wells Fargo may liquidate the Securities Collateral in your Account, or any other account you may have an interest in held at Clearing Firm, without notice to you.

Schedule of Fees

Annual Account Fees

Annual account fees will be charged in September and will be based on the type of account you own on June 30. Listed below are the annual fees associated with each type of account.

Pinnacle Investments offers clients many options to avoid annual fees. Please see below and contact your financial advisor for more details.

Type of Account	Annual Fee
Investment (standard brokerage) Account	\$75.00
Individual Retirement Account*	\$75.00
UGMA/UTMA	\$75.00
Advantage**	\$75.00

*Includes traditional, Spousal, Roth, SEP and SIMPLE IRAs.

** Other administrative fees may apply to Advantage (check copies, checkbook orders, ATM fees, additional debit card, etc.).

If you meet any of the fee waiver criteria below, your account will not be charged the annual account fee above.

- Accounts opened on or after January 1 of the current year (does not apply to Advantage, IRA, or ESA accounts)
- A household relationship with Pinnacle Investments, LLC that totals \$500,000.00
- All accounts that are enrolled in a First Clearing Managed/Fee-based program OR a Pinnacle Investments, LLC proprietary Managed/Fee-based program
- DVP Accounts
- 529 Plans
- Qualified retirement plan accounts (excluding IRAs)
- Accounts with open-end mutual fund positions of \$100,000 or more
- Accounts with annuity positions only

If you have any questions regarding the applicability of these fees, please contact your financial advisor.

Pinnacle Investments, LLC Schedule of Client Fees¹:

Annual Fee by Account Type	Amount
Investment Account Inactivity Fee (Standard Brokerage/Advantage Basic)	\$75.00
Custodial (UGMA/UTMA) Account Inactivity Fee	\$75.00
Education Savings Account (ESA) Inactivity Fee	\$20.00
Advantage Account - Check Writing w/Debit Card	\$125.00
Advantage Basic - Check Writing w/o Debit Card	No Charge
WFCS Custodian IRA	
Annual Maintenance	\$75.00
Termination Fee	\$95.00
Transaction Service Fees	
Postage and Handling - Trade Confirmation	\$5.00 per trade
Transaction, Execution, Ticket Charge Fee	\$20.00 per trade
Mutual Fund No Load Accommodation Fee	\$25.00 per trade

Account Transfer to Another Firm (ACAT)	\$95.00
Domestic Wire Transfers	\$25.00
International Wire Transfers	\$25.00
Return of Deposited Checks	\$10.00
Insufficient Funds (Advantage Checks drawn on account)	\$20.00
Stop Payment	\$25.00
Product Fees - Advantage Account	
Check Orders - Individual	
Initial Order - Standard Wallet (40 checks)	Free
Initial Order - Duplicate (150 checks)	\$20.00
Reorders - Standard Wallet (120 checks)	\$9.00
Reorders - Standard Duplicate (120 checks)	\$20.00
Check Orders - Corporate Checks (Standard)	
Initial Order - Three on a page (252 checks w/cover)	\$131.97
Reorders - Three on a page (252 w/o cover)	\$87.79
Debit Cards	
Additional Card	\$10.00
Fastcard Fee - Overnight delivery per card	\$20.00
ATM Transactions	No internal service fee. No fee using Wells Fargo Bank ATM
Check Copies	3 free checks per month; \$15 each copy over 3
Check Research	\$5.00
Other Fees	
Delivery of Foreign Security Certificate	\$250.00 per security
Transfer & Ship of Physical Certificates (shares re-registered and mailed to client)	\$500.00
Rush Withdrawal Registration (3-5 business days)	\$500.00
Rejection of ineligible physical certificates presented for deposit	\$50.00
Replacement of Securities Lost by Customer + 90 days issued by First Clearing	\$100.00 + out-of-pocket
Safekeeping Charge	\$25.00/security; \$250 max/yr per acct
Direct Participation Program	\$100.00 annually
Overnight Express Mail	\$15.00
Prepay Margin Fees - Trades	\$15.00 or margin interest, whichever is greater

Schwab Pricing:

This Pricing Agreement ("Agreement") is to confirm our agreement with respect to the following pricing terms for all present and future clients of Pinnacle Investments. This Pricing Agreement will apply to any subsequent masters opened for your firm under the exact pricing schedule described below. You understand and agree that additional Pricing Agreements will not be executed and all terms and conditions contained herein shall apply to any subsequently opened master accounts. This Pricing Agreement does not cover all services for advisors or clients referenced in the materials. For example, Administrative Trustee Services would include an additional fee.

All equity trades will receive the following rate:

Electronic channels

Commission\$0 per trade

Broker-assisted channels
 Commission\$25 per trade
 Transaction-fee (TF) mutual fund trades will receive the
 following rate: Electronic Transaction Fee: Regular: \$30, Reduced: \$20
 Broker-Assisted Transaction Fee: Regular: \$50, Reduced: \$40

Note: Please review Schwab's pricing guide for short-term redemption fees.

Options contract trades will receive the following rate:
 Electronic channels \$0 commission, \$0.65 per contract
 Broker-assisted channels \$38.95 plus \$1.40 per contract

Fixed income trades will receive the following rate:
 Electronic channels
 New issuesNo markup
 Treasury auctions.....\$0
 Secondary TreasuriesNo markup
 Agencies\$0.20/bond, \$10 minimum, \$250 maximum
 Principal-traded corps, exchange-traded corps, munis, other \$1/bond, \$10 minimum, \$250 maximum

Broker-assisted channels
 Treasury auctions, secondary Treasury trades ..\$25 broker-assist fee
 Agencies, principal-traded corps, exchange-traded corps, munis, other 20% premium per bond
 \$10 minimum, \$275 maximum
 Prime Broker/Trade Away transactions will receive the following rate:....\$20 per transaction

Please refer to Charles Schwab Pricing Guide for Clients of Independent Advisors for more information on alternative pricing.

Fees are subject to change.

- b. When Pinnacle Investments is acting as an investment adviser we charge retail investors asset-based fees, fixed fees, and wrap fee program fees. The principal fees we charge for our investment advisory fees are based upon assets under management.

All of the program accounts described in this brochure are charged a fee on eligible assets that covers advisory services. Those programs further identified as Wrap Fee programs also include execution, custodial, and reporting services in the fee. Fee Schedules for each program are set forth above.

Please see list of fees above (also available at pinnacleinvestments.com/disclosures).

Fees and Compensation

AdvisorPro Fee Schedule

AdvisorPro account fees are 3.00% annualized. This rate may be negotiated based on account size, investment complexity and level of service required. Fees payable by advisory clients are payable in advance. Fees will be invoiced at the beginning of each Billing Period based upon the value (market value or fair market value in the absence of market value) of the Advisory account(s) at the end of the previous Billing Period or average daily balance of the prior Billing Period for existing clients whose

agreement specifies that calculation. Billing Periods normally span 3-months, but may alternately be monthly. Client hereby authorizes the account custodian ("Custodian") to pay the fees directly to Pinnacle. To pay any fees incurred, funds will be deducted from the account and if necessary, from liquidating holdings in the following order: cash positions; money market funds or current positions. Fees are deducted directly from the advisory account(s), but if specified in writing, may be deducted from a different non-retirement account, including non-advisory accounts. If requested in writing, fees may also be billed and paid by check if within 10 days of invoice date otherwise fee will be deducted from the advisory account. The initial fee payable when an account is opened will be based on the month-ending account value once the account is considered fully funded. Should this Agreement be accepted on a date other than the first day of the Bill Period, Client's asset-management fee will be calculated on a pro-rata basis for that period.

Client may be responsible for additional costs including, but not limited to, transaction and custodial fees. Currently \$5.00 is charged on each transaction for postage and handling related to the generation of trade confirmations and periodic account statements. Trades are also charged \$20.00 for execution and clearing although this may be negotiated based on account size, investment complexity and level of service required. The minimum annual Program fee under this Agreement will be \$100.00. Accordingly, Client may pay an effective rate that is greater than the rate specified.

If a client terminates their advisory relationship with Pinnacle Investments before the end of the quarter, a pro-rated refund of advisory fees will be made to the client less reasonable start-up costs including transaction costs.

AdvisorPro is offered to the clients of Pinnacle Investments on accounts custodied by First Clearing, Charles Schwab, or TD.

Pinnacle Capital Management Fee Schedule

PCM's fees are 3.00% annualized and the minimum initial account value required for a separately managed account is generally \$100,000. Rates and minimums may be negotiated based on account size, investment complexity and level of service required.

Fees payable by advisory clients are payable in advance. Fees will be invoiced at the beginning of each Billing Period based upon the value (market value or fair market value in the absence of market value) of the Advisory account(s) at the end of the previous Billing Period or average daily balance of the prior Billing Period for existing clients whose agreement specifies that calculation. Billing Periods normally span 3-months, but may alternately be monthly. Client hereby authorizes the account custodian ("Custodian") to pay the fees directly to Pinnacle. To pay any fees incurred, funds will be deducted from the account and if necessary, from liquidating holdings in the following order: cash positions; money market funds or current positions. Fees are deducted directly from the advisory account(s), but if specified in writing, may be deducted from a different non-retirement account, including non-advisory accounts. If requested in writing, fees may also be billed and paid by check if within 10 days of invoice date otherwise fee will be deducted from the advisory account. The initial fee payable when an account is opened will be based on the initial deposit made into the account including the value of any securities. Should this Agreement be accepted on a date other than the first day of the Bill Period, Client's asset-management fee will be calculated on a pro-rata basis for that period.

Client may be responsible for additional costs including, but not limited to, transaction and custodial fees. Currently \$5.00 is charged on each transaction for postage and handling related to the generation of trade confirmations and periodic account statements. Trades are also charged \$5.00 for execution and clearing although this may be negotiated based on account size, investment complexity

and level of service required. The minimum annual Program fee under this Agreement will be \$100.00. Accordingly, Client may pay an effective rate that is greater than the rate specified.

If a client terminates their advisory relationship with PCM before the end of the quarter, a pro-rated refund of advisory fees will be made to the client less reasonable start-up costs including transaction costs.

Ascend Program Fee Schedule

Standard Fees: Fees for Ascend are only offered on a wrap-fee basis, covering all of our execution, consulting and custodial services as well as each Manager's fee for their services. Fees for our Ascend program vary depending on the service model. Annualized fees range from 0.25% to 1.5% if a Pinnacle IAR is involved with investment management services. These rates may be negotiated based on account size and level of service required. Betterment, LLC receives 0.25% for the use of their platform. The portion of the fee above 0.25% is retained by Pinnacle Investments. In addition, ETFs have fees associated with them that you will pay above and beyond the stated contract rate you sign. These fees are embedded within the price of the ETF. Please refer to the prospectus for specific fees associated with a given ETF. Fees are billed quarterly in arrears. Fees are calculated beginning one day before the end of the prior quarter and the accrual of fees ends two days prior to the end of the current quarter.

Account Requirements: There is no minimum requirement for account size to participate in the Ascend program. The program is intended for use by retail clients.

WFA Programs

Personalized Unified Managed Account (Personalized UMA)

Personalized UMA Fees

Fees for UMA Accounts are only offered on a wrap-fee basis, covering all of our execution, consulting and custodial services as well as each Manager's fee for their services.

Standard Fee	Personalized UMA - 2.50% (annualized, calculated on your account value).
	Allocation Advisors Strategies – 2.25% (annualized, calculated on your account value).
	Wells Fargo Compass - 2.25% (annualized, calculated on your account value).
	Customized Portfolios - 2.25% (annualized, calculated on your account value).

The current standard fee, which is negotiable, is shown above. Please consult the Program Features and Fee Schedule of your Client Agreement.

The Standard Program Fee for a Personalized UMA Multi Strategy Account is 2.50%, different strategies and/or investments available within the Program have a Standard Fee that is less than 2.5% and which will impact the actual fee for your Account. If, for instance, you select a Multi Strategy Custom Blend with 50% of the Account allocated to an SMA strategy (Standard Fee of 2.5%), 25% of the Account allocated to a Wells Fargo Compass strategy (Standard fee of 2.25%) and 25% of the account allocated to a FundSource Optimal Blend (Standard Fee of 2%), your Standard Fee would be 2.3125% due to the weighting and Standard fee for each strategy/investment within the Account. As a result of the different fees associated with the

different strategies/investments, your actual fee rate could vary quarter to quarter based on the current value of assets in each strategy/investment at the end of each quarter. This could cause your actual fee rate to be greater than or less than the fee rate shown on your Program Features and Fee Schedule. In a personalized UMA Single Strategy Account, your Standard Fee will be based on the Strategy selected. There is a minimum fee of \$250 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

FundSource Fee Schedule

FundSource Fees

Fees for FundSource Accounts are only offered on a wrap-fee basis, covering all of our execution, consulting and custodial services as well as each Manager's fee for their services. In addition, mutual funds and ETFs have fees associated with them that you will pay above and beyond the stated contract rate you sign. These fees are embedded within the price of the mutual fund or ETF. Please refer to the prospectus for specific fees associated with a given mutual fund or ETF.

Standard Fee 2.00% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement. Notwithstanding this fee calculation, the minimum fee charged to the Account will be \$75 per quarter. You should be aware that the imposition of the minimum fee may cause the Program fee rate (expressed as a percentage) to be greater than the fee stated in the Fee Schedule table for the Program. Under certain circumstances, the minimum fee may be waived.

Private Investment Management ("PIM") Fee Schedule

PIM Fees

Fees for PIM Accounts are only offered on a wrap-fee basis, covering all investment advice, execution, consulting and custodial services.

Standard Fee First \$250,000 is 3.0%(annualized, calculated on your account value).
Next \$750,000 is 2.5% (annualized, calculated on your account value).
Over \$1,000,000 is 2.0% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$125 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

Asset Advisor Fee Schedule

Asset Advisor Fees

Fees for Asset Advisor Accounts are only offered on a wrap-fee basis, covering all investment advice, execution, consulting and custodial services.

Standard Fee First \$250,000 is 3.0% (annualized, calculated on your account value).
Next \$750,000 is 2.5% (annualized, calculated on your account value).
Over \$1,000,000 is 2.0% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$125 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

Custom Choice Fee Schedule

CustomChoice Fees

Fees for Asset Advisor Accounts are only offered on a wrap-fee basis, covering all investment advice, execution, consulting and custodial services.

Standard Fee First \$250,000 is 1.75% (annualized, calculated on your account value).
Next \$750,000 is 1.50% (annualized, calculated on your account value).
Over \$1,000,000 is 1.15% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$125 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

Account Termination of WFA programs

Your account agreements may be terminated by either party at any time upon notice. If you terminate your Agreement, a pro rata refund will be made, less reasonable start-up costs. You have the right, within five (5) days of execution, to terminate the Client Agreement without penalty. In the event of cancellation of Client Agreements, fees previously paid pursuant to the fee schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs.

Payment of Fees for WFA programs

Unless otherwise indicated, Client hereby authorizes the account custodian ("Custodian") to deduct the fees from their Account for the services provided on a wrap-fee basis (i.e., there are no separate charges for execution services or Manager fees). Client agrees to pay the fees based on the type of account chosen by Client, which fees will be deducted directly from the particular Account, unless Pinnacle Investments and Client agree otherwise. If Client directs Pinnacle Investments to debit fees from an alternate account, this election will continue until Client provides notice of revocation of this election. Pinnacle Investments will have a reasonable amount of time to act on Client's election. The initial fee payment will be due in full on the date the Account is accepted by Pinnacle Investments ("the commencement date") and will be based on Account Asset Value on that date with the initial fee prorated for the then current quarter and covers the remainder of such quarter. Thereafter, the quarterly renewal fee will be based on the Account Asset Value on the last business day of the previous calendar quarter and will become due the following business day.

Charles Schwab & Co., Inc. (Schwab) Platform

Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at schwab.com/aspricingguide.

Clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

We charge clients a fee for our services. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

In addition, please see the Description of Fees for AdvisorPro.

TD Ameritrade Investment Management, LLC (TD) Platform

Advisory fees are not charged on assets that are not directly under our management. Advisory fees will be charged for other assets, including cash held within the portfolio strategy. To see what you would pay for transactions in a non-wrap account please refer to TD Ameritrade's most recent pricing schedules available at https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA4855.pdf

Additional Compensation - Mutual Fund Class A and C Shares

Additional compensation may be received depending on the share class of mutual funds held in an advisory account. Class C mutual funds include 12(b)-1 fees which are generally up to 1% per year on assets while Class A mutual funds include 12(b)-1 fees which are generally up to 0.25% per year on assets. Institutional shares generally do not have 12(b)-1 fees. First Clearing has a mechanism to automatically rebate 12(b)-1 to clients in qualified retirement accounts, while Pinnacle Investments retains the fees in non-qualified accounts.

In addition, please see the Description of Fees for AdvisorPro.

(iii) Addition Information

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Specific fees for when Pinnacle Investments is acting as an investment adviser have been disclosed above.

Specific fees for when Pinnacle Investments is acting as a broker-dealer are listed above and can also be found at pinnacleinvestments.com/disclosures

(iv) A question a retail investor should ask a financial professional is **“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”**

(B) What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts do you have?

(i) Standard of Conduct

- a. Pinnacle Investments, when acting as a broker-dealer, provides recommendations subject to Regulation Best Interest. When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide. Here are some examples to help you understand what this means:

Employee vs. Client Conflicts:

The compensation arrangements or incentives for the firm or its employees could affect whether employees recommend or offer a particular security or transaction to a client.

Outside Business Activities:

If your Registered Representative or IAR engages in an outside business activity it can cause the appearance of a conflict. Typically, this may occur if the Registered Representative or IAR engages in an outside business activity relating to a stock offering and employer for the outside business activity tries to have the broker or adviser recommend or sell certain investments.

Dual Registration – Investment Advisor/ Broker Capacity:

Pinnacle Investments, LLC is both an SEC registered investment adviser and a registered broker-dealer. As such it is able to act in an advisory capacity and have managed accounts as well as act in a brokerage capacity and maintain brokerage accounts. It is important that the Registered Representative or IAR is clear on that role when engaging with a client.

A material conflict of interest may arise when a brokerage account converts to an advisory account where investment advisor representatives place clients in asset-based fee

accounts versus transaction-based fee accounts. The same conflict may arise when an advisory account converts to a brokerage account where investment advisory representatives place clients in transaction-based accounts versus asset-based fee accounts.

Pinnacle Investments addresses this potential conflict of interest through the use of an internal policy that requires that a Pinnacle representative fill in a form with pertinent information when a brokerage account converts to an advisory account or, vice versa, when an advisory account converts to a brokerage account. The information pertains directly to the reasoning for the transfer of the account and requires the signature of the designated supervisor.

There is a potential conflict that arises when representatives of Pinnacle Investments, who are individual shareholders of Pinnacle Holding Co., LLC, invest client assets with its affiliate, Pinnacle Capital Management, LLC, because profitability of Pinnacle Capital Management, LLC could impact shareholder value. We feel this conflict is minimized in that representatives of Pinnacle Investments must ensure that any PCM products are in the best interest of the client.

Brokerage Transaction:

Pinnacle Investments is required to provide clients with the best execution possible for their transactions. An appearance of a conflict of interest may occur if a broker-dealer or investment adviser directs transactions to a certain market center that may not provide able to provide clients the best possible execution price on their transactions.

a. Front Running:

Front Running is not only a conflict of interest but also a prohibited act. This situation results when a broker or advisor takes advantage of non-public information about a large block trade and purchases or sells the securities in his or her own account ahead of the block execution.

b. When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

c. When we provide with a recommendation as your broker-dealer or act as an investment adviser, we have to act in your best interest and not put ours ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.

(ii) Examples of Ways You Make Money and Conflicts of Interest:

a. Proprietary Products: Investments that are issued, sponsored or managed by Pinnacle Investments or our affiliates.

1789 Growth and Income Fund

The 1789 Growth and Income Fund is a 40 Act Mutual Fund that seeks income and growth of capital by investing primarily in stocks with high and growing dividends. Pinnacle Investments is the distributor for the Fund and Pinnacle Investments' affiliate Pinnacle Capital Management is the Advisor to the Fund.

Pinnacle Aggressive Growth Global, Extended Fund (PAGGE)

PAGGE is a private 130/30 long/short fund. Pinnacle Investments' affiliate Pinnacle Capital Management is the Advisor and General Partner to the Fund.

- b. Third-Party Payments: We do not receive third party payments when we recommend or sell certain investments.
- c. Revenue Sharing: We do not receive revenue sharing from managers or sponsors of specific investments.
- d. Principal Trading: Investments that Pinnacle Investments buys from a retail investor and/or investments that Pinnacle Investments sells to a retail investor, for or from our own accounts, respectively.
- e. **Dual Registration – Investment Advisor/ Broker Capacity:**

Pinnacle Investments is both an SEC registered investment adviser and a registered broker-dealer. As such it is able to act in an advisory capacity and have managed accounts as well as act in a brokerage capacity and maintain brokerage accounts. It is important that the broker or advisor is clear on that role when engaging with a client.

A material conflict of interest may arise when a brokerage account converts to an advisory account where investment advisor representatives place clients in asset-based fee accounts versus transaction-based fee accounts. The same conflict may arise when an advisory account converts to a brokerage account where investment advisory representatives place clients in transaction-based accounts versus asset -based fee accounts.

Pinnacle Investments addresses this potential conflict of interest through the use of an internal policy that requires that a Pinnacle representative fill in a form with pertinent information when a brokerage account converts to an advisory account or, vice versa, when an advisory account converts to a brokerage account. The information pertains directly to the reasoning for the transfer of the account and requires the signature of the designated supervisor.

There is a potential conflict that arises when representatives of Pinnacle Investments, LLC, who are individual shareholders of Pinnacle Holding Co., LLC, invest client assets with its affiliate, Pinnacle Capital Management, LLC, because profitability of Pinnacle Capital Management, LLC could impact shareholder value. We feel this conflict is minimized in that representatives of Pinnacle Investments must ensure that any PCM products are in the best interest of the client.

- (iii) Conversation Starter:

How might your conflicts of interest affect me and how will you address them?

- (iv) Additional Information

For our statement on Conflicts of Interest please see pinnacleinvestments.com/disclosures

C. How do your financial professionals make money?

(i) Descriptions of How Financial Professionals Make Money:

Pinnacle Investments' financial professionals make money when acting as a broker in the form of commissions for agency transactions and markups/downs for principal transactions.

Pinnacle Investments' financial professionals make money when acting as an advisor in the form of a pre-agreed upon fee that they charge a retail investor for assets under management.

(ii) Required Topics in the Description:

Pinnacle Investments' financial professionals are compensated based on factors such as: the amount of client assets they service; the time and complexity required to meet client's needs; product sales commissions; and revenue the firm earns from the financial professional's advisory services or recommendations.

4. Disciplinary History:

A. **Do you or your financial professionals have legal or disciplinary history?**

B. Yes

In 2015, Pinnacle Investments, without admitting or denying the findings, consented to the censure and fine in the amount of \$12,500 due to the findings that it failed to preserve all business related communication sent or received by a registered representative and his assistant who were using outside email accounts

C. (i) Search Tool: Retail Investors should visit **Investor.gov/CRS** for a free and simple search tool to research Pinnacle Investments and our financial professionals.

(ii) Conversation Starter: Here is a question you should ask your financial professional: **As a financial professional, do you have any disciplinary history? If so, for what type of conduct?**

5. Additional Information:

A. A retail investor can find additional information about our brokerage or investment advisor services and request a copy of our relationship summary. This information can be found at www.pinnacleinvestments.com/about-pinnacle-investments/disclosures-links

B. Retail investors can request a copy of the relationship summary at (315) 295-1101.

C **Conversation Starter:** A retail investor should ask about contacts and complaints. They should ask: **Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**