

**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**



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Date of Disclosure Brochure: October 2022

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of PMG Wealth Management, Inc. (also referred to as we, us and PMG throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Phillip Guerrero at 847-550-6100 or [phil@pmgwealth.com](mailto:phil@pmgwealth.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.

Additional information about PMG Wealth Management, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for PMG Wealth Management or our firm's CRD number 285899.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

PMG has updated this brochure according to regulatory requirements and rules. There were some changes since our last required ADV Amendment filing in March 2022.

- The firm has updated information related to the investment options available through our clearing relationship. Please refer to Item 4 – Services, Fees and Compensation for more specific information.

Pursuant to regulations, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Services, Fees and Compensation

PMG is an investment adviser registered with the U.S. Securities and Exchange Commission and is a S-corporation formed under the laws of the State of Illinois. PMG is also approved to do business in other states as required by regulation.

PMG offers asset management services through a wrap fee management program. In our wrap fee management program, clients may elect to pay expenses under a “traditional” payment option meaning that advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis, or may elect the bundled “wrap fee” payment option meaning that advisory services (including asset management) and transaction cost (including ticket charges) are provided for one fee. Our Asset Management Services are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, We will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through PMG is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and PMG.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Asset Management Services.

### Asset Management Services

PMG offers asset management services, which involves PMG providing you with continuous and ongoing supervision over your accounts. The PMG Asset Management Services Program is a wrap fee program. In providing asset management services, PMG will continuously monitor your account and make trades in your accounts when necessary. Your account will be managed by PMG based on your financial situation, investment objectives and risk tolerance. PMG will actively monitor your account and will make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

We recommend that your assets to be allocated to our Asset Management Services Program be maintained in a brokerage account with LPL, an SEC registered broker/dealer and member NYSE/SIPC. LPL is the qualified custodian for all accounts established through our Asset Management Services Program.

You will appoint PMG as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. **PMG does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian will maintain physical custody of all funds and securities of your Account, and you will retain all

rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

You will authorize PMG to have trading authorization on your account and we will provide asset management services. You will authorize PMG Investment Discretion & Trading Authorization and Trading Authorization management in your agreement for our Asset Management Services. If you have authorized us to provide asset management services on a discretionary basis, we will make all decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and limitations on our discretionary authority.

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

Fees charged for our asset management services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

For our asset management services, client will be charged the following annual fee based upon the amount of assets under management and in the PMG-AMP Programs.

<u>Assets Under Management</u>	<u>Annual Fees – PMG I Accounts</u>	<u>Annual Fees – PMG II Accounts</u>
Up to \$99,999	1.45%	1.60%
\$1,000,000 – \$249,999	1.30%	1.45%
\$250,000 – \$499,999	1.20%	1.30%
\$500,000 – \$749,999	1.00%	1.10%
\$750,000 – \$1,249,999	0.95%	1.00%
\$1,250,000 – \$1,999,999	0.90%	0.95%
Over \$2,000,000	Negotiable	Negotiable

As disclosed above clients who participate in PMG's WRAP Account program will be charged a higher advisory fee on their assets under management. These fee charges in total may be more than what the clients would receive if the client participated in our traditional managed account program or paid separately for investment advice, brokerage, and other services. This conflict of interest is addressed by only recommending WRAP account programs to clients that are suitable for these types of services and providing each client an option to opt for a traditional managed account relationship. There is no other compensation paid for recommending the use of WRAP fee accounts.

PMG Has established a minimum investment amount required for opening any managed account with the firm. The minimum investment amount required varies depend upon the investment strategy selected. Please refer to **Item 6** for more specific information.

The only compensation received by PMG for asset management services is the annual fee as specified in the client's advisory services agreement. PMG receives no other forms of compensation in connection with providing asset management services.

PMG believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. Our firm will send you a billing statement prior to time that fee deduction instruction is sent to the qualified custodian(s) of your account. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Each client participating in our Asset Management Services will have the option to elect whether or not to bundle the transaction execution charges that are charged by the qualified custodian as part of the fee for asset management services. If you elect to have transaction execution charges that are charged by the qualified custodian bundled with the fee for our Asset Management Services, then the transaction execution charges charged by the qualified custodian will be billed directly to PMG by the qualified custodian for your account. If you elect not to bundle the transaction execution charges charged by the qualified custodian with the fee for asset management services, then the transaction execution charges will be billed directly to your account by the qualified custodian. PMG will not receive any portion of such transaction execution charges.

You may incur certain charges imposed by third parties other than PMG in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by PMG are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. We may use of No-load Mutual funds in our client's managed accounts that pay ongoing trail commissions (12B-1 fees). The receipt of this ongoing revenue creates a conflict of interest that is addressed by only recommending investment options that are suitable for the client's investment objectives.

The asset management services continue in effect until terminated by either party (i.e., PMG or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by PMG to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

## **Block Trading**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when PMG believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

PMG uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. PMG will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which PMG or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Suitability and Investment Strategy**

PMG will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening an Asset Management account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year); short term purchases (investments sold within a year); frequent trading; and short sales.

## **Additional Compensation, Economic and Non-Economic Benefits**

Our representatives are also registered representatives of LPL Financial, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial. The commissions charged by LPL Financial

may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

LPL limits the universe of available mutual funds available to advisors utilizing their platform, the available mutual funds on the LPL platform may not be the least expensive share class available to clients, and clients may be able to get a less expensive mutual fund share classes by utilizing an investment adviser that is not limited in its investment selection.

In many instances, LPL makes available on the wrap account platform, mutual funds that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund in a wrap fee program account in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through the wrap fee program. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

PMG has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline PMG, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, PMG pays LPL a per transaction charge for mutual fund purchases and sales in the account. PMG generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to PMG of transaction charges generally may be a factor PMG considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to PMG for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between PMG and the client. In short, it costs PMG less to recommend and select Class A share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your Advisor the advisory fee for management of an account.



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

### **Minimum Account Size**

PMG typically requires a minimum investment amount of between \$10,000 and \$100,000 in order to open an account dependent upon the investment strategy selected. Please refer to Item 6 for more specific information. To reach these account minimums, clients are allowed to aggregate all household accounts.

### **Types of Accounts**

PMG generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with PMG specifying the particular advisory services in order to establish a client arrangement with PMG.

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

PMG and its Investment Adviser Representatives act as the portfolio manager(s) for accounts receiving our Asset Management Services. Our Asset Management Service is considered a wrap fee program. For this service, we do not allow the use of portfolio managers that are not associated with PMG. In other words, the only portfolio managers selected for managing client assets for our Asset Management Services are Investment Adviser Representatives of PMG. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our wrap fee program. Because our Asset Management Services program does not provide for outside portfolio managers, we do not have procedures designed to select outside portfolio managers. Each investment advisor representative that acts as a portfolio manager in PMG's WRAP fee program will be evaluated by Phillip Guerrero prior to being allowed to open and manage a WRAP fee account. WRAP Program accounts are reviewed at least quarterly. Account reviews will include investment strategy and objectives review and making any required changes if strategy and objectives have changed. Reviews are conducted by Phillip Guerrero, with reviews performed in accordance with the client's investment goals and objectives.

### **Participation in Wrap Fee Programs**

PMG offers asset management services, through our Asset Management Services Program, which is a wrap fee management program. In our wrap fee management program, you may elect to pay expenses under a "traditional" payment option meaning that advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis, or you may elect the bundled "wrap fee" payment option meaning that advisory services (including portfolio management or advice regarding selecting other investment advisers) and transaction services are provided for one fee. Our Asset Management Services are considered a wrap fee program. Whenever a fee is charged to a client for services described in this Wrap Fee Program Brochure, we will receive all of a portion of the fee charged.

From a management perspective, there is not a fundamental difference in the way we manage accounts that have elected the traditional payment option versus those that have elected the bundled wrap fee payment option. The only significant difference is the way in which transaction costs are paid.

### **General Description of Other Advisory Services**

The following are descriptions of the primary advisory services of PMG. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and PMG before we can provide you the services described below.

**Financial Planning & Consulting Services** - PMG offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Investment Planning, Retirement Planning, Tax Planning, Portfolios Review, and Asset Allocation. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. Some are one-time consultations, which cover mutually agreed upon areas of concern related to investments or financial planning. These may be recommended by us. We also offer “as-needed” consultations, which are in response to a particular investment or financial planning issue raised or requested by you. Under an “as-needed” consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on

Depending on your situation, Financial Planning and Consulting Services may be more comprehensive in nature and other times it may be better addressed in a modular format. The planning areas listed below can be part of a larger comprehensive plan or individually addressed as needed.

- **Investment Planning** – PMG will make recommendations in this area based on the review of a client’s overall investment objective, return requirements, risk tolerance, time horizon, liquidity needs, tax preference and other unique circumstances. Any change in your personal circumstance in between reviews should be conveyed to PMG so we can make any adjustments as needed. Investment planning can take anywhere between six to forty hours depending upon the client’s profile and circumstances
- **Retirement Planning** – PMG determines retirement income goals and gathers information about potential sources of retirement. PMG creates a unified and comprehensive retirement plan covering assets, income needs, budgeting (as needed), cash flow review and strategy, income, taxation, inheritance, and risk management. A long-term asset management plan is structured considering economic environment and inflationary conditions, tax minimization strategy, uncertainty and market volatility. Retirement planning services include research, financial modeling and mathematical simulation to identify adequacy of client’s investment and savings to attain retirement readiness, and to clarify strategic choices and actions. Retirement planning can take anywhere between ten to fifty hours depending upon the client’s profile and circumstances.
- **Tax Planning** – PMG works with third party tax / accounting advisor(s) to align financial goals with tax efficiency planning. Tax planning would encompass many different aspects e.g. selection of investment options and types of retirement plans, timing of income and capital growth as well as tax lot selection for investment transactions within client’s portfolio. Tax planning services would include recommendations on tax reduction strategies based on income, expenses, individual needs and goals. As needed, PMG is available to work with your existing tax /

accounting advisor(s) or can recommend one if you are looking for a new relationship. PMG does not share any fees with any outside CPA's / accounting advisor(s). Fee arrangements with outside professionals are described in the section '*Other Fee Terms for Financial Planning, Institutional Advisory & Consulting Services*'. Tax planning can take anywhere between five to forty hours depending upon the client's profile and circumstances.

- **Portfolio Review and Asset Allocation** – PMG researches clients' existing portfolios and underlying investments to determine the asset class mix, return profile and risk characteristics. PMG will also compare existing holdings to the clients risk objectives based on the client profile to ensure that the two match. PMG also analyzes return, risk and modern portfolio statistics and runs mathematical simulation, wherever necessary, to identify the adequacy of the portfolio against client's investment objectives and risk tolerance. Portfolio Review and asset allocation can take anywhere between ten to fifty hours depending upon the client's profile and circumstances.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through PMG or retain PMG to actively monitor and manage your investments, you must execute a separate written agreement with PMG for our asset management services.

**Referral of Third-Party Money Managers** - PMG offers advisory services by referring clients to a third-party money manager offering asset management and other investment advisory services. The third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third-party money managers in the form of solicitor fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Under this program, we assist you with identifying your risk tolerance and investment objectives. We recommend third-party money managers in relation to your stated investment objectives and risk tolerance, and you may select a recommended third-party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services.

We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third-party money manager. The third-party money manager may take discretionary authority to determine the securities to be purchased and sold for your Account. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

Although we review the performance of numerous third-party investment adviser firms, we enter into only a select number of relationships with third-party investment adviser firms that have agreed to pay us a portion of the overall fee charged to our clients. PMG will only enter in to agreements with other investment advisory firms that are properly registered in the state of client residence. Therefore, PMG has a conflict of interest in that it will only recommend third-party investment advisors that will agree to compensate us for referrals of our clients.

Clients are advised that there may be other third-party managed programs not recommended by our firm, that are suitable for the client and that may be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm.

### **Retirement Plan Services**

PMG offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

#### Fiduciary Consulting Services

PMG provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. PMG will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Non-Discretionary Investment Advice. PMG will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- Investment Selection Services. PMG will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Due Diligence Review. PMG will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- Investment Monitoring. PMG will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and PMG will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. PMG will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Individualized Participant Advice. Upon request, PMG will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and PMG does not serve as administrator or trustee of the plan. PMG does not act as custodian for any client account or have access to client funds

or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

PMG acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. PMG will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause PMG to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, PMG (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client’s retirement plan or the interpretation of Client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA.

#### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

PMG provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. PMG will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. PMG’s assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. PMG will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. PMG will assist you with the establishment of a qualified plan by working with you and a selected Third Party Administrator. If you have not already selected a Third Party Administrator, we shall assist you with the review and selection of a Third Party Administrator for the Plan.
- Due Diligence Review. PMG will provide you with periodic due diligence reviews of your Plan’s fees and expenses and your Plan’s service providers.
- Fiduciary File Set-up. PMG will help you establish a “fiduciary file” for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.

- Benchmarking. PMG will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, PMG cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

PMG will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

#### **Retirement Plan Rollover Recommendations**

When PMG provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that PMG is a "**fiduciary**" within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way PMG makes money creates conflicts with your interests so PMG operates under a special rule that requires PMG to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, PMG must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the financial interests of PMG ahead of you when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that PMG gives advice that is in your best interest;
- Charge no more than is reasonable for the services of PMG; and
- Give Client basic information about conflicts of interest.

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by PMG, please know that PMG and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to a IRA managed by PMG. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by PMG.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest. We have taken steps to manage this conflict of interest. we have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in PMG receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by PMG and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of PMG or our affiliated personnel.

#### **Limits Advice to Certain Types of Investments**

PMG provides investment advice on the following types of investments:

- Exchange-listed Securities
- Exchange Traded Funds (ETF's)
- Mutual Funds
- Warrants

- Corporate Debt Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Interests in Partnerships Investing in Real Estate
- ADRs
- Cash

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

#### **Tailor Advisory Services to Individual Needs of Clients**

PMG's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. **PMG does not charge or accept performance-based fees.**

#### **Methods of Analysis**

PMG uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.



Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, PMG gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

## Investment Strategies

PMG uses the following investment strategies when managing client assets and/or providing investment advice:

- PMG's Advance and Protect Strategy: Flagship strategy which includes the use of cash as a specific asset class and will increase or decrease such cash based on the advisor's evaluation of the market and current risk management. This strategy utilizes a global macro approach and would be considered a "go anywhere" type strategy. This portfolio may include the use of exchange-traded funds (ETFs), mutual funds, individual stocks, individual bonds, and cash. The use of technical analysis is used to assist with the management of this strategy.
  - Account Minimum: \$50,000
- PMG's Advance and Protect "Plus" Strategy: Expands on the original Advance and Protect strategy above by including a 20% sleeve of individual equities. This is a newer strategy, but has been used as part of the Custom Portfolio Strategy for some time and works better with a higher minimum due to the 20% equity sleeve.
  - Account Minimum \$250,000
- PMG's Conservative Dividend Growth Strategy: One of the flagship strategies created for clients looking for conservative dividend growth who are also interested in the characteristics of the Advance & Protect strategy which adds the risk management protection based on longer term market trends. The protection triggers on this strategy may be longer term as compared to the original Advance & Protect Strategy.
  - Account Minimum: \$100,000
- PMG's Jump Start Strategy: This strategy was created for clients who may be starting out or working with a smaller part of a larger portfolio. This strategy follows the same risk management process of Advance & Protect using ETF's and Mutual Funds only. This strategy has a smaller amount of holdings.
  - Account Minimum: \$10,000
- PMG's Moderate Growth and Income Strategy is a newer model which combines strategic allocation along with technical analysis. This model takes on a more traditional long term allocation approach and expands on the size of the Jump Start Strategy.
  - Account Minimum: \$50,000
- PMG's Fully Customized Portfolio Strategy: This strategy is completely custom to you based on your overall situation. It may include portions of other PMG strategies as core portions of the account. In addition, PMG will build satellite positions that will better help you achieve your specific situation. Examples of why one may choose this strategy include risk-based decisions, income needs for retirement, fixed income only portfolios, longer term growth objectives, tax planning issues, or trading objectives with a particular sector.
  - Account Minimum: No minimum due to potential cash flow needs.
- PMG's Strategic Balanced Portfolio: For longer term investors looking to blend equities and fixed income into one portfolio. Equity and fixed income weightings will be based on intermediate outlooks taking on a more strategic longer-term approach.

- Account Minimum: \$100,000
- PMG's Balanced "Plus" Strategy: Built for larger accounts who can further diversify amongst asset classes and sectors. This portfolio can include up to 50% individual equities depending on market conditions. This model will typically have between 15 and 20 holdings, made up of ETF's (Exchange Traded Funds), Mutual Funds, and individual equities.
  - Account Minimum: \$500,000 Recommended

The PMG Investment Strategies are generally implemented by using the following trading philosophies:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors

specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Voting Client Securities**

PMG does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting PMG at the address or phone number indicated on Page 1 of this disclosure document.

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

Only Investment Adviser Representatives of PMG serve as portfolio managers for our Asset Management Services Program. Our associated Investment Adviser Representatives are responsible for gathering all information provided by you including but not limited to investment objectives, financial status, investment experience, risk tolerance and investment time horizon. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services through our Asset Management Services Program. You are responsible for promptly contacting

your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. Since we do not use any outside portfolio managers, we do not share your information with any outside portfolio managers.

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

Only Investment Adviser Representatives of PMG serve as portfolio managers for our Asset Management Services Program. There are no restrictions placed on your ability to contact and consult with their portfolio managers. It is the policy of PMG to provide for open communications between the Investment Adviser Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

### **Item 9 - Additional Information**

#### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

#### **Other Financial Industry Activities and Affiliations**

PMG is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with PMG.

#### **Registered Representative of a Broker-Dealer**

Our representatives are also registered representatives of LPL Financial, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased. This conflict of interest is

addressed by only recommending investments that are suitable for each client and disclosing the fact that clients are free to utilize any broker dealer of their choosing to purchase any recommended investments.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial. The commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

### **Third-Party Money Managers**

PMG has developed several programs, previously described in *Item 6* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. PMG will only enter in to agreements with other investment advisory firms that are properly registered in the state of client residence. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. We have a conflict of interest by only offering those third-party money managers that have agreed to pay a portion of their advisory fee to us and have met the conditions of our due diligence review. This conflict of interest is addressed by only recommending investments that are suitable for each client. Please refer to *Item 6* and PMG's Form ADV Part 2A for full details regarding the programs, fees, conflicts of interest and materials arrangements when PMG selects other investment advisers.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of PMG by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

### **Interest in Client Transactions and Code of Ethics**

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. PMG has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. PMG's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. PMG requires its supervised persons to consistently act in your best interest in all advisory activities. PMG imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of PMG. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

PMG or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of PMG that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. PMG and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons are prohibited from trading or recommending clients purchase investments in which you or a related person has a material financial interest.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of PMG.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Account Reviews**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Phillip Guerrero, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least quarterly, usually when statements and/or reports are received from the money manager.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Account managed by outside money managers will receive reports directly from the outside money manager as disclosed in their ADV Part 2A Brochure. Reports may be written of electronic.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by PMG.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### **Client Referrals**

PMG does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services. PMG receives no other forms of compensation in connection with providing investment advice.

### **Financial Information**

PMG does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, PMG has not been the subject of a bankruptcy petition at any time.

## **Item 10 –Requirements for State-Registered Advisers**

Other than relationships described above, PMG and our management persons do not have a relationship with any issuers of securities.

## **Item 11 - Customer Privacy Policy Notice**

**Commitment to Your Private Information:** PMG Wealth Management has a long standing policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you (“Information”) with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.



**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist use with the providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.