



FORM ADV PART 2A AND 2B  
INVESTMENT ADVISOR BROCHURE  
AND  
BROCHURE SUPPLEMENT

***Item 1 - Cover Page***

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<b>Date of Brochure as Last Revised</b>	March 27, 2023

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. Use of e-mail may be restricted by us in certain jurisdictions including those subject to General Data Protection Regulation (EU) 2016/679. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Item 2 - Material Changes***

The purpose of this section is to discuss only material changes since the last annual update of PMG Investment Advisor Brochure. The date of the last annual update was March 15, 2022.

**Summary of Material Changes:**

There have been no material changes in the way PMG provides services, charges fees, or works with counterparties. That said, Item 5 was updated to provide additional disclosures pertaining to rollover recommendations and our fiduciary obligations.

**Delivery:**

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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## ***Item 4 - Advisory Business***

### *Advisory Firm*

PMG has been providing investment advisory services since 1986. Dennis Reiland is the Co-President/Secretary, Robert Summers is the Co-President, and John Luciano is the Chief Financial Officer and Chief Compliance Officer. As co-owners and Portfolio Managers, both share in the vision of the company and in investment management functions. Our staff is comprised of portfolio managers, traders, customer service, and other back-office support staff.

### *Advisory Services*

PMG provides investment supervisory services. We construct and manage portfolios after input from clients on risk and return objectives. These longer-term strategic frameworks are adjusted using shorter-term tactical decisions to adjust for our beliefs about current opportunities. Tactical decision making may cause deviations from longer-term strategic objectives for extended periods of time.

We have \$3,510,342,406 of assets under supervision on a discretionary basis as of December 2022.

Our mission is to serve our clients by allocating capital in a manner commensurate with our understanding of the client's objectives and with input from information provided by the client. The client should be aware that PMG requests and requires input from the client in order to target the desired risk profiles and adjust for potential special circumstances. PMG attempts to accomplish this mission by meeting two important goals:

1. Develop honest, comfortable, long-term relationships with clients.
2. Supervise the client's capital in a professional manner while taking commensurate risk inherent in managing stock, bond, and securities portfolios.

We select securities to build individual portfolios based on input from our clients. These portfolios consist of all the assets under management for a client and may cover multiple accounts, both taxable and non-taxable. Since taxability is a consideration in the investment process, we may concentrate certain investments in either taxable or non-taxable accounts. As we view absolute returns as the most important goal in our process, we view our performance in comparison to a risk-free benchmark plus a required return. We feel this is most indicative of client success. This required return, or risk premium, will vary over market conditions and between client objectives, but it is generally considered to be in the low single digits. We will assign a very rough investment benchmark based on client risk attributes and the desire to have relative comparisons. For simplicity purposes, we use three main benchmarks which can vary based on market conditions. They are described below:

- Growth – Accumulation: This comparative composite benchmark will typically be largely equity oriented and has historically been restricted to the Standard & Poor's 500 Industrial Index. This category emphasizes long-term capital appreciation but may consist of significant allocations to fixed-income investments. However, all asset types are acceptable so significant deviations from the benchmark are possible. Funds will normally be left in the account to accumulate so liquidity factors are minimized.

While stability through broad diversification is desired, the account may be concentrated in a few holdings and subject to considerable volatility.

- **Balanced – Accumulation:** This comparative composite benchmark will typically be skewed towards equities along with a modest amount of general fixed-income indices. The assets will be supervised for growth and income accumulation. Accounts will generally consist of a balanced portfolio of equities and fixed income securities, with an emphasis on growth. Account funds are generally held for accumulation, so liquidity is not a primary objective. While stability through broad diversification is desired, the account may be concentrated in a few holdings and subject to considerable volatility. Allocations may vary substantially and include aggressive holdings.
- **Balanced – Cash Flow:** This comparative composite benchmark will typically be comprised of a majority of fixed-income index with a lesser degree of an equity index. Accounts assets will normally consist of fixed-income, high-yield, income-oriented, real-estate income, dividend-paying, and hybrid securities with a mix of other domestic and international equities. The assets will be supervised for income, with lower emphasis on growth while allowing for cash liquidity requirements. Cash liquidity is generally not a primary objective, but short-term liquidity needs will generally be provided from investment cash flows. While stability through broad diversification is desired, the account may be concentrated in a few holdings and subject to considerable volatility. Account allocations may vary substantially and include aggressive holdings.

Clients should not place too much emphasis in these categories as they are used for relative benchmarking purposes and not as a specific asset allocation requirement. Our allocations will vary among many different assets classes and investment types depending on our tactical approach at any given time. As we previously stated, we view a risk-free return plus a risk premium as more important than relative performance. However, selection of a comparative benchmark is used for relative performance measurement. The benchmark descriptions are a general objective only and all accounts will be supervised individually according to your unique situation. Therefore, you should expect to see variances between benchmark allocations and your portfolio. Account may hold illiquid securities and/or assets with a high degree of loss potential. Allocations will vary significantly between sub-accounts, account size, taxability of account, current market conditions, cash needs, tactical decisions, and restrictions of the client. You may request reasonable account restrictions, such as prohibiting investments in certain companies or industries. PMG can provide a benchmark performance report upon request. This is normally included in our Annual Report to clients.

You are asked to notify us if there have been any changes in your financial situation, investment objectives, or if any account restrictions should be imposed or modified. The better you keep us informed of any material changes the better we can tailor your investments to meet your objectives. We will request you provide updates to this information via our quarterly and annual report disclosures. While we normally change your portfolio's relative benchmark when your circumstances change (and you have informed us of this fact), you may request adjustments at any time and/or as needed. You are encouraged to consult with PMG during volatile market conditions or whenever you feel your risk parameters have changed. You may call in during normal business hours to discuss any aspect of your account, financial situation, or other investment needs and speak directly with a portfolio manager.

PMG normally seeks stability through broad diversification of your portfolio of accounts. At times, however, portfolios or individual accounts may be concentrated in a few holdings or asset classes. This may create more risk. Allocations can vary substantially and include aggressive holdings. The account may consist of investments that are illiquid or have no formal market. Please refer to “Methods of Analysis, Investment Strategies, and Risk of Loss” for additional disclosures.

Accounts will remain unrestricted in asset allocation or type unless you request otherwise.

PMG does not use margin as part of an investment strategy. However, margin balances may arise temporarily during portfolio rebalancing, if you withdraw funds before securities are sold, if PMG expects cash/dividend/interest deposits, if approved by client, or if otherwise initiated by the client. Margin debt is a loan extended against securities held in your account. Margin is utilized when more than all your available cash is either invested or withdrawn from the account. For example, assume you write a check that exceeds the cash balance in your account. If you have enough “marginable” securities in your account, the brokerage firm can extend you a loan for the difference and your check would clear. Interest will be charged for as long as the margin balance is outstanding. There is a risk of borrowing too much, however. If the account value falls below a certain minimum, securities may be involuntarily sold in order to repay the margin balance. You will be responsible for any resulting realized gains or losses, including income tax liabilities, commissions, or other charges.

PMG believes two significant risk factors for clients that they control are their level of withdrawals/spending from the account and the possibility that they force sales near market lows. Clients should monitor their withdrawals/spending to assure it is at sustainable levels and can request PMG’s input on those amounts, but PMG does not restrict client’s access to their cash values and does not generally make judgements on client’s spending habits (special circumstances may restrict ability to sell or monetize assets). PMG also believes client’s selling during periods of market stress is a significant risk and PMG has little ability to forecast in advance how the client will react to market declines and periods of market turmoil. Clients should be aware of the likelihood of significant volatility and high probability of losses during different market conditions and/or within specific portfolio positions. Measuring results over shorter periods of time (PMG recommends at least two market cycles should be included) can also result in decisions that are less than optimal. PMG has little-to-no control over each client’s decision-making process, reporting delivered to the client from custodians, other outside advice the client receives, or other similar inputs to the client’s investment decisions.

An important part of the investment process is reporting. We will provide detailed quarterly statements with asset allocation, return, and specific holding information. Tax reports can be prepared for you to discuss with your tax adviser. In addition, we can normally provide detailed information on all managed assets so that you can determine material holdings and asset allocations attributes. We currently provide quarterly and annual reports with insight into current topics and/or some important factors under consideration. You will also receive confirmations and account statements directly from your custodian/brokerage firm. Your periodic statements will contain a description of transactions and account activity. You will retain all rights of ownership to securities and funds in your account just as if you held the assets outside of PMG’s supervision. You can contact your custodian to provide third party verification of your account.

PMG may view asset allocation categories significantly differently than a third-party custodian or other reporting entity. PMG includes some assets like preferred stocks, exchange-traded notes, baby bonds, income funds, and others under fixed-income for reporting purposes while custodians may code them under equity or other categories. PMG may work with third-party custodians to correct or reclassify their categories where appropriate.

## ***Item 5 - Fees and Compensation***

We currently do not charge for setting up an account, although a charge may occur in certain situations. Our standard advisory fees are calculated as follows based on assets under management (see other disclosures for additional information): For account assets up to \$100,000 at .40% per quarter (1.60% annually), then .35% per quarter (1.40% annually) of assets between \$100,000 and \$1,000,000, plus .25% (1.00% annually) of assets between \$1,000,000 and \$2,000,000, plus .20% (.80% annually) of assets between \$2,000,000 and \$10,000,000, and then .15% (.60% annually) of assets in excess of \$10,000,000.

You will be responsible for brokerage commissions (currently \$0 for most online equity trades), exchange fees, stock transfer fees, or other fees charged by the brokerage/custodial firms. These expenses normally are deducted and paid from assets in the account. Please refer to section heading “Brokerage Practices” for more information.

If you have multiple accounts within your household, you may benefit from having these accounts aggregated to lower your overall fees. Some exceptions may apply.

Our fees will be billed in advance and payable quarterly. The first payment is due based upon the execution date of the Agreement. It will be assessed pro-rata in the event the Agreement is not executed on the first day of the new calendar quarter. Subsequent payments are due and will be assessed from the first day of each calendar quarter based on the value of the portfolio as of the start of that quarter.

You will authorize the custodian to deduct the advisory fees directly from your account as part of the investment service. We discourage the payment of fees directly from outside sources because of the costs involved with collecting and monitoring payments. Keeping collections simple and somewhat automated allows us to reduce costs and lower expenses. This fee collection from the custodian will be done in accordance with the statements we prepare. We submit a fee request to the custodian and can provide detailed fee calculations to you upon request. The custodian will provide periodic account statements to you. These statements will reflect any fee withdrawals by PMG. It is your responsibility to verify the accuracy of the fee calculation.

Fees are not collected for services to be performed more than six months in advance.

Fees are negotiable. Discounts may apply for relatives, associates of PMG, non-supervised account holdings, trial accounts, long-term client relationships, charitable accounts, or other special circumstances. While we believe these fees are reasonable and competitive, lower fees for comparable services may be available from other sources.

We generally do not invest in open-ended mutual funds to avoid a duplication of costs – including any fund fees that would be layered on top of ours. To the extent that we invest in closed-end funds we factor in fund expenses

and attempt to purchase such funds at a discount sufficient to mitigate those expenses and provide a rate of return sufficient to meet our investment goals.

Your account may be terminated on 10 days written notice by either you or PMG. If your account is terminated before the last day of a calendar quarter, we will issue to you a pro-rated refund of any unearned fees.

Upon termination, your account will remain at the custodian unless you initiate a transfer to another broker. You will be responsible for the ongoing management of the account, including providing instructions regarding your assets. As part of the termination process you may request that we consider certain actions, including liquidating all or a portion of the account. If PMG declines to sell any or all of your securities, you may be subject to future losses on any retained securities. You may need to complete any desired trades directly with the custodian/broker-dealer. Any assistance we provide will be at our sole discretion. Termination of your account may result in material tax liabilities, large trading costs, and significant opportunity costs. PMG believes that transfers of assets to new advisors may be harmful to clients. This is due to their propensity to sell most, if not all of the transferred securities and their willingness to complete trades at fair prices. Particularly problematic would be the sale of small holdings of corporate bonds, foreign stocks, and other less liquid securities. PMG will no longer be your investment advisor as of the termination date and our fiduciary relationship with you will cease.

The Advisory Agreement contains a pre-dispute arbitration clause. You understand that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under federal securities laws. Arbitration is final and binding on all parties.

#### Rollover Recommendations

When PMG and our IA Reps provide any rollover recommendations (e.g. from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account to individual retirement accounts), we are acting as fiduciaries within the meaning of Title I of the ERISA and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. If you elect to roll the assets to an IRA we will manage for you, we will charge you an advisory fee. This financial incentive creates a conflict of interest. You are under no obligation to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Due to the conflict of interest when we make rollover recommendations, we operate under rules that require us to act in your best interests and not put our interests ahead of yours. These rule's provisions require us to:

- meet a professional standard of care when making investment recommendations (i.e. give prudent advice);
- never put our financial interests ahead of yours when making recommendations (i.e. give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in your best interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should

consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

### ***Item 6 - Performance-Based Fees***

We do not charge performance-based fees, a fee that is based on capital gains in the client account. Although we do not charge performance-based fees, the higher the rate of return in your account generally translates into a larger account value upon which our fee is based.

### ***Item 7 - Types of Clients and Account Minimums / Conditions***

PMG provides advisory services to individuals, pension and profit-sharing plans and other ERISA accounts, trusts, estates, business entities, and other similar parties.

We have no set dollar minimum account. We believe \$100,000 is the minimum needed to diversify account assets. We recommend and may impose a minimum account size of \$250,000. We may temporarily stop accepting new accounts at any time.

Small accounts are subject to higher volatility and therefore have a greater risk of potential losses. This volatility results from the lack of sufficient assets needed for proper diversification. We generally purchase securities in cost-efficient "round" lots. This may help with transaction expenses but is normally not significant. Small accounts may not be able to efficiently participate in all available investment opportunities, hindering our efforts to maintain a properly diversified portfolio. Smaller accounts are acceptable and can be successful but may be more concentrated in liquid securities which can be traded in smaller denominations. For example, some accounts could be too small to adequately diversify a portfolio of corporate bonds.

If your portfolio consists of more than one account, it will be supervised in a "portfolio context." This means that each account will be viewed as a sub-component of the entire portfolio in order to properly evaluate performance and risk. Some degree of variation in performance of the individual portfolio accounts should be expected, at times greater than others. Particularly, small sub-accounts (within an overall larger portfolio) may exhibit greater



volatility and potentially sustain greater percentage losses than when viewed in isolation. Conversely, small accounts may hold a high concentration of cash relative to the rest of a portfolio. While this would ultimately reduce volatility, it could also lead to a material relative underperformance.

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

### *Methods of Analysis*

PMG uses fundamental analysis to analyze stocks and bonds for the investment portfolio.

### *Investment Strategies*

We review and may use investments other than traditional stock and bond instruments including, but not limited to:

- Preferred Stock
- Convertible Securities
- Hybrid Securities
- Foreign Securities
- Mutual or exchange traded funds
- U.S. government securities or government sponsored entities
- Municipal securities
- Real estate or oil/gas investments
- Options or warrants
- Other business ventures

We generally do not participate in Initial Public Offerings, although we may consider them at any point. To the extent that limited opportunities are presented, and we chose to participate, normal block trading policies will apply.

We typically invest in assets for the long-term (over six months). To a lesser degree we may make short-term purchases.

### *Risk of Loss*

While all investments have risk, some carry a greater degree of risk and/or higher costs. There is no guarantee that the investment strategy selected for you will result in your goals being met. There is no guarantee of profit or loss protection. For those investments sold by prospectus (including mutual funds, public offerings, and limited partnerships), you should read the entire prospectus. For those securities that are publicly traded, clients should refer to additional disclosures filed by the issuer (for example, 10Ks, 10Qs, Proxies, Forward-Looking Statements,

and other filings). Other publicly available information is readily available via the internet, press articles, or research reports.

Below are some of the common market-based risks that may affect your portfolio:

- **Stocks:** Stocks are subject to “market risk” which refers to capital losses due to stock price declines. Market risk can be company specific or related to general economic trends. It can include risk of changes in interest rates, business conditions, competitive forces, pricing problems, supply chain disruptions, human misjudgments, political conditions, legal developments, foreign markets, currency exchange rates, investigations or allegations related to fraud, technological advancements, and many other factors that are known and still unknown. Stock prices can change due to news, such as company earnings, or simply in reaction to the overall stock market. Prices can react to many other factors and clients should read and be familiar with the disclosures given by PMG, specific companies’ SEC filings, custodians, management presentations, public news sources, and other parties. Market risk is affected by investor attitude.
- **Debt Securities:** Debt securities (bonds) are also subject to “market risk” as described above. More specifically, bonds are associated with credit risk (the risk of non-payment for various reasons), interest rate risk (risks associated with changes in interest rates), and currency risks (risk that the payment received in local currency will be lower due to currency fluctuations). For example, a major risk typically associated with higher quality debt is that if the general interest rate on newly issued bonds increases, the value of other bonds will decline. Prices can react to many other factors and clients should read and be familiar with the disclosures given by PMG, specific companies’ SEC filings, custodians, management presentations, public news sources, and other parties.
- **High Yield Securities:** High yield securities are debt securities rated below investment grade. These have a higher risk of non-payment (default) by the issuing company or municipality. They are also subject to market risks as described above. Prices can react to many other factors and clients should read and be familiar with the disclosures given by PMG, specific companies’ SEC filings, custodians, management presentations, public news sources, and other parties.
- **Real Estate and/or Mortgage Securities:** PMG will purchase investments in real estate securities and real estate mortgages. These real estate securities can be held in a variety of forms, but the most common is a Real Estate Investment Trust (“REIT”). REITs are also subject to “market risk” as described above. REITs can entail significant leverage to purchase properties which can increase their overall risk and their ability to pay dividends. REITs can hold real estate investments that are illiquid and have limited marketability. REITs have both equity and fixed attributes which PMG may deem acceptable for income-oriented accounts. These accounts may be impacted if dividends are reduced or halted.
- **Foreign Stocks, Bonds, or other Securities:** PMG will invest in foreign securities which have additional risks related to political, currency, legal, military, taxation, and/or special circumstances. These can be difficult to predict or anticipate and can cause significant negative impacts. Foreign entities are often required to make additional disclosures to U.S. investors which are deemed to be included as part of our disclosures.
- **Businesses:** PMG invests in businesses through various forms including common stocks, preferred stocks, convertible securities, and debt securities. Businesses are also subject to market risk as described above, but also have specific risks unique to their specific situation. These are too numerous to detail, but PMG

clients should carefully review the risk disclosures provided in company filings, including the annual form 10-K filings. Some of the more common risks disclosed by companies include problems with general market conditions, industry risk, specific business issues, competition, suppliers, customers, management, financial, liquidity, legal, governmental, and other risks. Company filings will provide more detail on specific risks and is very helpful information for investors. These filings are easily available to all investors at any time through the SEC's Edgar Filing system. These disclosures are deemed included as part of our disclosures and PMG can provide these risk disclosures upon request.

- **Liquidity:** We may purchase, or certain assets may convert into, illiquid securities that are difficult to trade or value. We may not be able to execute trades at or near the market price during the prevailing market conditions. The prices realized on illiquid securities have a greater chance of being significantly less than those prices shown on a client statement. This may present losses to clients if we are forced to sell illiquid securities quickly. Illiquid securities can also be more expensive to trade such that clients may incur higher trading costs.
- **Asset Valuation:** Securities, particularly illiquid securities, can be hard to price. Matrix or other pricing may be used by pricing agents, whereby prices are determined in good faith based on the prices of similar securities, yield curve models, or other price valuation models. The prices assigned by any of these methods may differ materially from realizable market prices at any given point in time. PMG uses third party custodians to independently price securities but may provide input to correct errors and will correct obvious mistakes where appropriate.
- **Bankruptcy and/or Financial Distress:** There is a high risk of loss in the event a company becomes insolvent, financially distressed, or liquidates. We have invested in companies in distressed situations and anticipate future investments in this area. All security classes would be affected and possibly impaired. Any recovery may involve a significant delay; potentially years. Certain accounts (i.e. pension plans) may incur extraordinary costs and administrative delays until a bankruptcy plan is confirmed.
- **Political, Legislative, or Governmental Risks:** There has been increasing risks to investors over political, legal, and government agency rulings. These issues are beyond the control of most investors and are difficult to predict. PMG has very little ability to effect change or otherwise provide input in these processes.
- **Reputational Risks:** Given increases in social media, outside news agencies, and rating services, there is probably greater risk that individuals or companies face threats from reputational issues that may result in management changes, company costs to address the issues, additional personals/costs to correct/monitor the issues, and other similar considerations.
- **Other Risks:** Other events that can have a significant impact on global asset values and economic activity include, but are not limited to, military action and wars, trade wars, pandemics, a hostage crisis, acts of terrorism, and acts of God.

The following are some personal risks that may affect you:

- **Tax Consequences:** Changes in tax laws may increase tax liabilities and result in decreases in values of securities impacted by the changes in tax laws. Securities and/or businesses may receive special tax benefits or credits which can be terminated which would result in portfolio losses. There are times when

securities may be sold within a year. Your capital gains may be taxed at short-term capital gain rates instead of at a potentially lower rate long-term capital gain rates.

- **Lifestyle Changes:** You have the responsibility to help set proper risk parameters in our initial interviews, during the early stages of our relationship, and on an on-going basis throughout the term of our agreement. Many changes in your lifestyle and feelings about risk may evolve without our knowledge. We are relying on you to proactively inform us of any material changes. We offer annual reviews for your convenience.
- **Excessive withdrawals and/or security sales at low prices:** See previous notes related to this topic under Advisory Business.
- **Failure to meet Expectations or Projections:** Private Management Group, Inc. believes past returns are not reflective of future performance and that most investors have overly optimistic outlooks. Future returns are highly likely to be significantly lower than past experiences. It should not be assumed that recommendations made in the future will be profitable or will equal past performance. Past performance was generated using an investment philosophy similar to current methods, but future investments will be made under different economic conditions, with different securities, and using different investment strategies. Duplicating performance superior to the past is unlikely. Past performance reflects investment results for a limited period and does not cover all economic or market cycles.
- **Client actions or decisions that may affect account:** Client's ability to withstand market volatility and maintain positions through market declines may impact performance. Clients should not trade in account assets as clients can incorrectly, inadvertently, or unskillfully trade securities. Cash needs or other changing client requirements may impact returns or ability of PMG to effect optimal transactions or match risk objectives. Clients are required to inform PMG as soon as possible about these cash needs or changing objectives. PMG may hold unsupervised assets in a managed account for the convenience of the client but takes no responsibility for these assets. These unsupervised assets are deemed the sole responsibility of the client and all losses are borne by the client. PMG encourages clients not actively monitoring or analyzing these assets to convert them to assets PMG oversees or open an alternative account that the client can oversee without interference of PMG-managed assets. PMG is not a stock broker and clients holding unsupervised assets should directly contact the custodian/broker to effect trades if they need to move on timely basis.

The following are some of the risks involving our firm that may affect you:

- **Errors in Judgment:** We do not guarantee performance and losses are always possible. Past performance is not indicative of future results. We may fail to meet your goals and objectives. There is the potential that you fail to communicate to us, or we fail to understand your investment objectives, risk tolerance, or goals. As we also supervise other clients' assets, we will not devote our exclusive attention to your account.
- **The health and retention of key employees:** Key employees may become ill or leave the company which could result in problems in managing your account.
- **Potential conflicts of interest:** There are a myriad of conflicts that arise in the management of your account. For example, PMG believes it is important to promote long-term relationships with clients and this may impact short-term aggressiveness in purchasing securities and may result in a greater emphasis on

managing volatility. On the other hand, we are aware that a superior track record can bring in additional business such that there may be more incentive to take risk that could result in better relative performance. Our employees also purchase securities for their own accounts. This may result in greater attention paid to these securities and an emphasis on selecting securities that they would consider owning. Other conflicts may come up in the normal course of business that may impact your portfolio, but PMG attempts to establish procedures which allow us to meet our fiduciary obligations to you.

- **Our financial health, reputation, and ability to sustain proper business relationships.**
- **Compliance, Legal, Political, Governmental, and Regulatory issues.**
- **Threat of litigation against us by clients, regulators, or by companies whose securities we trade.**
- **LIBOR Transition:** The London Interbank Offer Rate (LIBOR) could cease being the world's primary benchmark interest rate after 2021. The effort to substitute an alternative reference rate in place of LIBOR may create a material risk since hundreds of trillions of dollars of global financial contracts and securities are specifically tied to LIBOR. Some instruments address the use of a substitute rate in-lieu of LIBOR, however, ambiguities in contract terms may present settlement risk that can lead to financial losses. Securities we purchase may have limited-to-significant LIBOR exposure. Variable or floating-rate securities such as certain bonds or preferred stock have adjustable interest or dividend payments tied to LIBOR. Perpetual securities (no maturity date) or those that mature after December 31, 2021 carry risk that the issuing company interprets covenants unfavorably versus the investor's expectations. This can lead to a lower than expected dividend payment or capital losses upon the security's sale. Companies whose securities we purchase may have loans or derivative exposure that could be affected by the discontinuance of LIBOR. Our firm's operations do not have any material LIBOR exposure. We have been monitoring the LIBOR situation for the last several years and have taken direct action, at times, to limit holdings. We re-balanced some holdings towards securities with governing documents we were more comfortable with given perceived risks – including those that specifically addressed an alternative reference rate in the event LIBOR stopped being published. However, these risks are still difficult to quantify. We believe the advantages of floating-rate securities may offset at least some of these risks, but there is no guarantee of this. There is additional risk that an issuer cures a defective LIBOR security by redeeming, calling, or exchanging it at a rate or price that lowers our expected rate-of -return.

There are many other risks that may affect you. A sample of some of the extensive risks you face are highlighted below. This list is not all inclusive, will change with market conditions, and new unknown risks will arise over time.:

**Forward-Looking Statements:** During the normal course of business we may make verbal or written statements that are forward-looking in nature. We note that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Information discussed with you contains forward-looking statements relating to anticipated financial performance, business prospects, returns, market forces, new services, technological developments, and other matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, Private Management Group, Inc. notes that a variety of factors could

cause actual results and experience to differ materially from the anticipated results or other expectations expressed in these forward-looking statements. Factors may change in future and we take no responsibility to update or modify statements. Forward-looking statements typically contain words such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “continue,” “believes,” “expects,” “hopefully,” “tend,” “forecasts,” or variations of these words, suggesting that future outcomes are uncertain.

**Overview of General Risks:** The following discussion is intended to identify other certain factors (though not necessarily all such factors) that could cause future outcomes to differ materially from those set forth in forward-looking statements made by PMG. Some of the risks and uncertainties that may affect results, performance, development, operations of client portfolios, securities owned or PMG business include, but are not limited to, the following factors: client actions or decisions that may affect account as detailed above, changes in client requirements or demands, cash flow needs of clients, general economic conditions, competitive factors and pricing pressures, overcapacity in industries involved with, shifts in market demand, changes in federal, state and local laws, licensing and regulations, especially financial and security regulations, potential increases in costs of operations, increases in labor costs, the performance and needs of industries involved with, continued costs of investments in technology, uncertainties of litigation, the ability of entities to generate cash flow or finance operations, compliance with securities debt covenants, success or timing of completion of capital and maintenance spending projects, planned and unplanned outages due to maintenance, equipment malfunctions or work stoppages, availability of adequate levels of insurance, management retention and development, changing accounting requirements, health of key PMG employees, and various hazards which could disrupt operations (including fires, explosions and severe weather conditions). Discussions related to asset classes are general in nature only. Assets can change classifications and definitions can be broadly interpreted.

**Additional Risks related to your Account:** We may occasionally make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the custodian of your account. If a material investment gain results from the correcting trade, the gain will remain in client’s account unless it is otherwise not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax issues, insignificant amounts, etc.), and may be subject to proration if error was made as part of a block trade. Error amounts less than \$100 may be covered by the custodian or broker/dealer of the account. If a loss occurs greater than \$100, PMG may be liable to pay for the loss. If related trade errors result in both gains and losses in your account, they may be offset. Different custodians may have different policies regarding the settlement of trade losses.

Unsupervised assets are account holdings which we did not recommend or may be restricted from selling. We advise against holding unsupervised assets and recommend that you transfer them to a separate account. We will not provide investment advice for unsupervised assets. Any incidental comments we may make regarding these securities may be incomplete or inaccurate. You assume all risks of holding these assets in your account. We will not charge a fee to hold these assets in most circumstances.

Principals of PMG may be unreachable for periods of time due to travel, sickness, personal or other reasons. This may create additional risks related to knowledge of timely events, specific client needs, or other issues. Clients should be aware that they can access their account assets (which may include check-writing or issuing wire instructions) without the assistance of PMG and/or under emergency circumstances.

## ***Item 9 - Disciplinary Information***

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. PMG does not have any disclosure items.

## ***Item 10 - Other Financial Industry Activities and Affiliations***

PMG does not believe that it or its IA Reps have any other material financial industry activities and affiliations.

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

### *Code of Ethics*

PMG maintains a Code of Ethics. This Code of Ethics sets forth standards of conduct expected of our advisory personnel. It requires compliance with federal securities laws and addresses conflicts that arise from personal trading by our staff. A synopsis of the personal trading policies is below. You may request a complete copy of our Code of Ethics.

### *Participation or Interest in Client Transactions*

PMG and its IA Reps do not have any affiliation to an issuer of securities. We do not act as an underwriter, general or managing partner, or an offeree representative.

PMG and its IA Reps historically have not directly owned more than 5% of the outstanding common stock in any security. If PMG obtains a direct ownership of more than 5% of the outstanding shares of a voting equity security, we will file required reports with the SEC. If we acquire a direct interest in the shares in the ordinary course of business but not for the purpose or effect of changing or influencing control, we will file a Schedule 13G report. PMG and its clients may be deemed to beneficially indirectly own more than 5% of the outstanding common stock and will make the required filings when required.

We do not directly match trades with buyers and sellers (agency cross transactions) in off-market transactions. It is rare if one client were selling the same security that another client was buying, but we may occasionally put out simultaneous buy and sell orders. These trades, if they occur, would be executed by third party brokerage firms or custodians and can be improved upon by normal market participants. We do not buy or sell securities from our own account to fill client trades (principal trades).

### *Personal Trading*

PMG believes that it is prudent and beneficial that its IA Reps and other related party's interests are aligned with client interests. We generally take positions in the same securities as our clients. We have established supervisory procedures in an attempt to avoid conflicts with you and meet our fiduciary responsibilities. We will transact personal orders only after all current client orders (and orders contemplated within the next 48-hour period) are complete. A hardship exception to the 48-hour waiting period is available in cases where the sale of a security by a related party is necessary and such trade avoids a conflict of interest with an existing or pending client order. Trading shortly ahead of any contemplated trades for your benefit (scalping) is prohibited. This includes a prohibition of personal trades while a client has an open order pending. Contemplated trades mean any trades that are currently being considered given the current cash balances in client accounts and current market prices. It would not include potential cash deposits/withdrawals or hypothetical situations where market prices or conditions could change. Our personal orders may be executed the same day as client trades on a "last in" and "last out" basis after all contemplated client trades are complete. Occasionally, our bond trader may aggregate related party trades behind client trades, but PMG will make sure that all client trades are completed first and take priority. Our IA Reps that are involved in the decision-making process are prohibited from buying or selling in anticipation of a trading recommendation by PMG.

We will disclose certain material conflicts to you at the time of a personal trade. For example, we would disclose if a related party had a large position (deemed greater than 5% of the shares outstanding) in a thinly traded stock that if traded would likely have a material impact on the stock's price. However, we would not disclose a related party's security position that we believe would have negligible effect on the stock's price.

## ***Item 12 - Brokerage Practices***

### ***Selection or recommendation of broker/dealers***

You may choose to custody your assets and execute trades through a PMG recommended broker/dealer. PMG works with a few broker/dealers and may receive similar benefits from these other firms but does have benefits coming from services provided by the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab") which are currently recommended to provide custodial and broker/dealer services for essentially all our clients. Schwab is a FINRA registered broker/dealer and member SIPC.

PMG or our IA Reps are not affiliated with Schwab or other broker/dealers and do not receive any commissions or fees for recommending their services.

Our selection is made based on a wide range of factors including (but not limited to):

- Competitiveness of commission rates.
- Trade execution capabilities and quality with minimization of trading error history.
- Ability to handle trades and answer calls in volatile markets.
- Research for the benefit of clients and that assist us in making investment decisions.
- Willingness, ability, facilities, infrastructure to work with Investment Advisors.
- Time and ease of accounting for client reporting and transaction management.



Client accounts maintained in custodial accounts generally are not charged separately for custody, as broker/dealers are compensated by account holders through commissions, interest rate spreads on cash awaiting investment, or other transaction-related fees for securities trades that are executed through their firm. The custodian may also charge a fee as “prime broker” for “trade away” transactions executed by other broker/dealers but settled into (held at) the custodial account and for other transactions, tender offers, tax reporting, or other services. You may pay transaction fees to the broker/dealer for the purchase of “no-load” funds. Prime custodians generally provide the clients with consolidated statements.

### *Soft Dollar Practices*

PMG generally pays directly for research directly out of our own funds. However, we at times receive benefits from brokerage firm(s) in the form of research, products or services. Such benefits are termed “soft dollars.” When a firm uses client brokerage commissions to obtain soft dollars, the firm receives a benefit by not having to separately produce or pay for such items. A firm may have an incentive to select or recommend a broker/dealer based on soft dollars received, rather than best execution for the client.

Custodians and/or broker dealers provide PMG with access to its institutional brokerage – trading, custody, reporting and related services – many of which may not typically be available to other customers. We also have available other support services (or soft dollar benefits as described above). Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us if we keep a minimum dollar of our clients’ assets in accounts at a custodian. If we do not have the qualifying assets, we may be subject to quarterly fees.

***Services that Benefit You:*** Custodians and broker/dealers services include access to a broad range of investment products, execution of securities transactions, and custody of your assets. Some of the investment products available include those that we might not otherwise have access to, or that would require a higher minimum initial investment by our clients.

***Services that May Not Directly Benefit You:*** Other products and services that benefit us but may not directly benefit you or your account. This includes investment research, both proprietary and that of third parties. We may use this research to service all or some of our clients’ accounts, including accounts maintained at custodians other than our prime custodian. In addition, there is other available software and technology that provides some of the following:

- access to client account data
- facilitation of trade execution and trade aggregation (block trades)
- pricing information and market data
- facilitate payment of our fees from client accounts
- assistance with back-office functions, recordkeeping and client reporting

***Services that Generally Benefit Only Us:*** Services that help us manage and further develop our business enterprise include:

- educational conferences and events
- technology, compliance, legal, and business consulting

- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers
- marketing

For all the categories listed above, the custodian or broker/dealer may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Discounts or fee waivers for some of these services may pay all or part of a third party's fees, even where PMG is not aware of such arrangements.

In early 2019, Charles Schwab sold its ownership of its portfolio management software, Portfolio Center, to Envestnet Tamarac. With the closing of this transaction, any prior disclosures regarding any benefits afforded to us by using this software no longer apply.

Custodians and other broker/dealers may also provide us with other benefits such as occasional business entertainment of our personnel.

We understand our duty of best execution and try to consider all factors in making recommendations to you. These research services may be useful in servicing all our clients and may not necessarily be used in connection with any particular account that may have paid compensation to the firm providing such services.

Our recommendation that clients maintain their assets or effect transactions at custodians and/or other broker/dealers may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the quality or cost of services provided, which creates a potential conflict of interest. While we may not always obtain the lowest commission rate from at a particular broker/dealer, we believe their rates are reasonable in relation to the value of the brokerage and research services provided. However, recently the Charles Schwab has moved to \$0 commissions for most online equity trades.

### Trade Aggregation

Your trades may be aggregated with other client trades as part of a "block trade." This may be done regardless of the fact that individual client advice is provided to each account. We therefore encourage all clients to use PMG's "lead custodian." Usually only accounts at a specific custodian are eligible to participate in aggregated securities transactions. Typically, trades using the lead custodian may be aggregated and submitted under a PMG master account which may be used for trade executions.

Accounts within the block trade will not be favored over one another, except that PMG will generally allocate sells to more fully invested clients and allocate buys to underinvested clients. The degree to which a client is invested is based on total cash balances, the percentage of cash held as part of the overall portfolio, the amount invested in a particular security, and other similar factors. We will also occasionally consider sector or industry weightings when determining the degree invested. Trades will be prorated where possible and trading costs are not significantly increased. Proration may be used more frequently with illiquid, harder-to-trade securities and with more volatile securities. Each account within the order will typically receive their standard commission rates (the standard rate can be a discounted rate for each account) and the average share price. Recently, commissions have been reduced to \$0 for most online equity trades. This affords us more flexibility in executing many trades in a more cost-efficient manner.

We believe that, on average, the aggregation should slightly reduce execution costs. Bond trades generally should benefit from aggregation more than equity trades based on PMG's experience. However, these savings may not apply in every case and the savings can include costs and time saved by PMG trading personnel that otherwise might have to transact a large number of individual trades. We will not aggregate your order when we believe that the aggregation would increase the overall execution costs. Part of the execution costs considered is the market impact and our ability to accurately track the trades of multiple accounts. We will notify the custodian of the trade allocation for each account. PMG and/or its IA Reps may participate in block trades with clients. We may also participate on a pro-rata basis for partial order fills, but only if clients receive fair and equitable treatment. Trades for client accounts are filled and completed before trades are executed in the personal accounts of those IA Reps that are involved in the purchase decisions or trade executions. See Personal Trading section for more information on PMG trading practices.

## ***Item 13 - Review of Accounts and Reports on Accounts***

### Reviews

PMG supervises the individual investments on a continuous basis. Changes made in the recommended securities are based on assumed profit potential and changing market conditions.

The investment decision-making process generally centers on many factors, but some typical major factors and sub-factors are shown below:

- **Management**
  - Accounting
  - Compensation
  - Ownership
  - Fairness
  - Reputation
  - Track Record
- **Business**
  - Competition
  - Customers
  - History
  - Sustainability
  - Outlook
- **Capital**
  - Debt
  - Return on Capital
  - Risks/Potentials Renewals or Repayments
  - Dividends
  - Use of Capital
  - Capital Allocation
- **Growth**
  - Revenue, Cash Flow, Earnings
  - Real, Organic, Sustainable Growth
  - Catalysts
  - Track Record of Managing Growth
  - Relative Growth
  - Forecasted Growth
- **Value**
  - Price to Value

These are general factors only and we may use several different methods and analysis to select investments. We may not review every factor before selecting a security for purchase or sale. We will not always document or thoroughly examine our thoughts for every factor. We may make decisions about these factors that prove incorrect. We may still invest in securities that fail to meet one, many, or most all these factors. The price we pay relative to the estimated underlying private market value may be the single most important factor. Other factors can play a role in the assumed value we place on a stock. For example, the higher the growth of a business generally results in a higher value. You should be aware that because price to value is so important, we may buy or hold securities that have very poor marks in all the other categories if the price is attractive. Sometimes the fact that a security is poorly perceived by the financial community or public news sources causes buying opportunities. We have purchased these out-of-favor securities in the past and believe that they will be an important part of our strategy in the future. Besides other risks investors face, PMG's calculations of value may prove incorrect and this has happened often in past situations. PMG's valuation may be based on incorrect, incomplete, or otherwise poor data that eventually may impact client returns.

The rebalancing of your account is generally based on:

- Changes in your investment objectives
- Tax considerations
- Deposits to your account
- Account withdrawals
- Individual security performance
- Portfolio sector weightings

In General, portfolios are reviewed regularly for security rebalancing, cash needs, and tactical changes. The reviewers include Portfolio Managers, Head Trader, and/or Chief Compliance Officer (each licensed personnel), each of whom oversee a varying number of accounts. PMG does not assign specific accounts to individual reviewers, but in aggregate we will review PMG supervised accounts for potential changes. Not every account is specifically reviewed as general research can apply to securities held in many client accounts.

PMG makes portfolio review meetings available for clients on an annual or requested basis.

### Reports

PMG delivers quarterly reports to you but may rely on custodian reporting at varying points. Our reports generally will detail account holdings, performance, and assets allocations. We will deliver interim and more detailed reports to you upon request. You will receive independent account statements detailing your portfolio holdings and transactions from your broker, custodian, mutual fund, or other investment sponsors. These statements generally are delivered either monthly or quarterly. Trade confirmations are sent at the time a trade is executed by the custodian / brokerage firm. Tax reporting generally comes from the brokerage/custodian and can be augmented by PMG where appropriate.

PMG statements may vary from other statements due to differences in accounting methods. These differences in accounting methods include some use of accrual accounting by us, a slight difference in timing of trades posted may occur, corporate reorganization transactions, asset classifications, and other items. We use the pricing services

of the independent custodians, so pricing should be the same although we will correct obvious errors where appropriate. See reconciling reports discussion below for more information. Tax reporting can also be prepared to give to your tax advisor.

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

### **Referral Fees Paid**

We may compensate promoters for client referrals. Promoter's agreements are drafted in compliance with applicable federal and state laws and the Investment Advisers Act of 1940. All clients referred to us by a promoter will be given a written disclosure ("Promoter's Disclosure Letter") describing the terms and fee arrangements between PMG and the promoter. Form ADV and the Promoter's Disclosure Letter must be delivered to you at the time of, or prior to, our entering into the Investment Advisory Agreement.

Promoters are not IA Reps, supervised persons, or agents of PMG. Promoters do not provide investment advice on our behalf. They are paid solely for the referral in exchange for a percentage of the management fee. Certain promoters may be licensed as Registered Reps, IA Reps, or Insurance Agents of other firms. Any investment or insurance advice offered by persons not supervised by us is solely under the purview of their employing firm. Promoters may earn compensation (including commissions and fees) on investments or insurance from sources unaffiliated with us. Promoters are not paid cash compensation beyond the referral fee for any activity involving your PMG account.

Employees that participate in our Annual Partner Sharing Plan are eligible to earn compensation for qualified client referrals. We will disclose to you any direct additional compensation arrangements at the time of the referral. Certain employees participate in profit participation plans or receive bonuses that provide additional/indirect compensation to the employee based on PMG revenues, recognition of value of bringing new clients to the firm, or other similar factors.

### **Other Compensation**

As previously described under "Fees and Compensation," PMG and some of its IA Reps may have historical relationships with broker/dealers or insurance companies and may continue to receive trailing commissions from these companies on assets or policies that are unrelated to managed client assets. PMG believes these amounts to be minor and not material.

### **Other Referrals**

None

## ***Item 15 - Custody***

Although your assets are held at a third-party, independent custodian, we are deemed to have custody of your funds solely because of the fee deduction authority granted by you in the Investment Advisory Agreement. We provide this disclosure to comply with securities regulations and to make you aware that fees will be deducted from your account.

We do not accept authority to withdraw funds out of your account, except for the fee deduction noted above.

As previously described, you will receive periodic account statements (at least quarterly) from your broker-dealer or other custodian. You are urged to compare your custodial account statements against our reports for accuracy.

When reconciling PMG reports to brokerage / custodial statements, you may encounter reconciling items due differences in:

- Reporting dates
- Accrual methods used for dividends and interest
- Pricing issues
- Corporate reorganization issues
- Other factors.

We can provide a more detailed list of potential adjustments upon request. The custodial statements and year-end supporting reports are your official records for income tax purposes.

## ***Item 16 - Investment Discretion***

We maintain trading discretion in your account under a limited power of attorney.

We are not authorized to withdraw, transfer, or to take custody of your funds or securities. We do have the power to deduct our management fees per our Investment Advisory Agreement. We will forward paperwork to the custodian on your behalf for processing by the custodian but take no responsibility for the accuracy and/or work completed by the custodian. Clients are strongly recommended to use precaution against identity theft, cyber-fraud, and other similar issues and to watch carefully over their personal information, check account for possible abuse, and report possible issues as soon as possible.

You will designate the broker/dealer to be used for trading and custodial services. We currently recommend that you select Schwab. We may use prime broker, directed trades, trade away, or other similar methods from the designated broker/dealer for security trades in order to seek best execution. The securities will be held by your designated broker/dealer under a prime brokerage arrangement. We believe there is currently a minimum sub-account size of \$100,000 to be Prime Brokerage eligible, but the effective amount may be higher to allow for market fluctuations.

## ***Item 17 - Voting Client Securities***

We have the ability to vote proxies on your behalf, unless you withhold this authority from us. You must complete your custodial brokerage firm's Proxy Voting designation form to grant us this authority.

We vote proxies in the best economic interest of the client, and not in the interest of our firm. While it is unlikely that we will have a material conflict when voting client proxies, a conflict could arise from time to time.

We can resolve such conflicts to include but not limited to:

- Documenting that votes were cast in your interest
- Informing you to obtain objective third-party advice
- Obtaining your informed consent to vote a proxy in a specific manner. When seeking your consent, we will provide you with sufficient information regarding the matter and the nature of the conflict to enable you to make an informed decision.

There may be times when refraining from voting a proxy is in your best interest, such as when the cost of voting exceeds the expected benefit to you.

You may contact us (by one of the methods listed on the cover page) to obtain information on how we voted for you. You may request a complete copy of our proxy voting policy.

We will only vote proxies for "supervised assets," which are investments selected by PMG (for which we have assumed discretionary authority). PMG assumes no obligation to vote proxies for "non-supervised assets." These may include assets held in your account that we are restricted from discretionary selling. Client assumes all risks for voting non-supervised assets.

PMG will also vote on your behalf for other situations including contested proxies, restructuring matters, settlement options, and other similar matters. Clients can contact us or the custodian with voting instructions, however, you may not receive notification of pending matters where you have delegated proxy voting authority to us and did not elect to receive duplicate notifications. In that case, we will make elections using our standard decision-making processes.

## ***Item 18 - Financial Information***

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. PMG does not have any disclosure items in this section.





## Form ADV Part 2B Brochure Supplement

### ***Group Brochure Supplement Part 2B***

This Brochure Supplement provides information about supervised persons that formulate investment advice and have direct client contact, and any other supervised person with discretionary authority over client assets. This is provided as a team supplement for all such persons employed by PMG.

### ***Educational Background and Business Experience***

#### *Professional Designations Qualifications Obtained by Certain PMG Team Members*

***CFA<sup>®</sup> or Chartered Financial Analyst<sup>®</sup> is issued by the CFA Institute.***

Candidate must meet:

- One of the following pre-requisite requirements:
  - Undergraduate degree and 4 years of professional experience involving investment decision-making, or
  - 4 years qualified work experience (full time, but not necessarily investment related)
- Educational requirement of self-study program (250 hours of study for each of the 3 levels)
- Pass multiple exams over a two- to three-year period
- No continuing education is required

Education and Business Background for Each Team Member<sup>1</sup>

<b>Name:</b>	<b>Dennis Reiland, CFA</b>
<b>Year of Birth:</b>	1958
<b>Education:</b>	California State University, Long Beach, CA BS, Quantitative Methods (Business Statistics), 1981
	Pepperdine University, Malibu, CA MBA, Business Finance, 1983
	University of California, Los Angeles, CA Certificate of Personal Financial Planning, 1985
<b>Business:</b>	Private Management Group, Inc., Irvine, CA Co-President, Portfolio Manager December 1985 – present
	University of California at Irvine, Extension, Irvine, CA, Investment Instructor June 1988 – May 2000

<b>Name:</b>	<b>Robert Summers, CFA</b>
<b>Year of Birth:</b>	1960
<b>Education:</b>	California State University, Long Beach, CA BS, Accounting/Finance, 1983
<b>Business:</b>	Private Management Group, Inc., Irvine, CA Co-President, Portfolio Manager March 1986 – present

<b>Name:</b>	<b>John Luciano, CFA</b>
<b>Year of Birth:</b>	1966
<b>Education:</b>	California State University, Fullerton, CA BA, Business Administration/Finance, 1989
	University of California, Irvine, CA Certificate of Personal Financial Planning, 1991
<b>Business:</b>	Private Management Group, Inc., Irvine, CA Chief Financial Officer, Chief Compliance Officer February 1994 – present

<b>Name:</b>	<b>Stephen Parker</b>
<b>Year of Birth:</b>	1972
<b>Education:</b>	Cal Poly University, San Luis Obispo, CA BA, International Business, 1994
<b>Business:</b>	Private Management Group, Inc., Irvine, CA Head Trader January 1995 – present

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<b>Name:</b>	<b>Jeffrey Payne</b>
<b>Year of Birth:</b>	1963
<b>Education:</b>	California State University, Long Beach, CA BS, Business Administration /Finance, 1986
<b>Business:</b>	Private Management Group, Inc., Irvine, CA Portfolio Manager May 2004 – present

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<b>Name:</b>	<b>Jonathan Chin, CFA</b>
<b>Year of Birth:</b>	1982
<b>Education:</b>	University of California, Irvine, CA BA, History, 2004
	Concordia University, Irvine, CA Teaching Credential, 2006
<b>Business:</b>	Private Management Group, Inc., Irvine, CA Portfolio Manager January 2008 – present
	Irvine Boys and Girls Club, Irvine, CA, Athletic Director June 2007 – January 2008

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<sup>1</sup> Rule 204-3(b)(3) allows teams comprised of more than five supervised persons who may have client contact to deliver brochure supplements for the five supervised persons with the most significant responsibility.

### ***Disciplinary Information***

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. There are no disclosure items for any team member.

### ***Other Business Activities***

Dennis Reiland is not involved in any other business activities at this time.

No other team members are involved in other material business activities.

### ***Additional Compensation***

As disclosed in Part 2A of this Brochure, team members do not receive any additional direct compensation on managed assets. Certain team members may receive incidental trail commissions on non-managed assets.-We give bonuses or additional pay to our employees for eligible client referrals. We will disclose to you any direct additional compensation arrangements at the time of the referral. Certain employees may participate in profit participation plans or receive bonuses that provide additional/indirect compensation to the employee based on PMG revenues, recognition of value of bringing new clients to the firm, or other similar factors.

### ***Supervision***

Dennis Reiland is the Co-President and co-owner of PMG. Robert Summers is the Co-President and co-owner of PMG. Both are Portfolio Managers and serve on the investment committee.

Investment decisions and portfolio activity are reviewed by the supervised persons listed in this Brochure Supplement.

John Luciano as Chief Compliance Officer is responsible to provide supervisory oversight to the team; however, Mr. Luciano also participates as a team member in the investment and trading processes. Mr. Luciano may be contacted at the phone number as shown on the cover page.