

## **Part 2A of Form ADV: *Firm Brochure***

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This Brochure provides information about the qualifications and business practices of The Concord Advisory Group, Ltd. (hereinafter “CAG or “firm” or “we”). If you have any questions about the contents of this Brochure, please contact Scott Santin, Chief Compliance Officer, at 609-987-9000 or by e-mail at [ssantin@concordadvisory.com](mailto:ssantin@concordadvisory.com). 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.

CAG is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about CAG also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for CAG is 107291.

## **Item 2 - Material Changes**

Concord has made no material changes to its firm services.

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## **Item 4 – Advisory Business**

### **FIRM STRUCTURE**

The Concord Advisory Group, Ltd. (CAG) was established in 1988 to provide investment consulting services to institutional clients. CAG currently has a total of 32 full and part time employees, including 13 associates that perform investment advisory functions. The remaining 19 employees consist of research, analytic, and administrative personnel. CAG's principal office is located in Princeton, NJ. CAG has a regional satellite office located in Orlando, FL.

CAG is independently owned and operated and does not have affiliations with any other investment managers, broker/dealers, solicitors, placement agents or finders, either on an operational or ownership basis.

CAG was incorporated in New Jersey in 1990 and is majority owned by the partners Christopher E. Cahill and Scott Santin, and other employees own a minority interest.

### **FIRM SERVICES**

CAG only provides non-discretionary investment advisory services, including (1) investment policy statement preparation, (2) asset allocation, (3) recommendation of underlying investment vehicles and/or managers, and (4) monitoring services, each as further described below. CAG provides these services either separately or in combination. The primary clients for these services are: pension, 401(k) and profit sharing plans; corporations, healthcare and insurance companies; charitable organizations, endowments and foundations; religious organizations; and family offices. Upon engagement CAG will assign a primary (or "lead") consultant to be the direct contact with the client on an ongoing basis.

#### **1. Investment Policy Statement Preparation (hereinafter referred to as "IPS"):**

CAG develops a client's policy by consulting with the client to determine the client's need(s) for the funds (i.e. liabilities) and when these needs will occur. From there, client risk tolerance is assessed, not only in terms of how much volatility a client can tolerate financially, but also how much volatility can be tolerated emotionally. These factors drive the asset allocation process, in which asset classes are recommended, along with the suggested weighting among such asset classes. CAG will then prepare a written IPS identifying the needs, goals and policies as discussed with the client. The IPS also generally lists the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

The following issues are covered in a typical IPS:

- Purpose, needs, and time horizon of the investment assets
- Responsibilities of interested parties
- Risk / Return expectations
- Asset allocation targets and ranges
- Investment guidelines for each asset class
- Performance Benchmarks
- Risk Controls

## 2. Asset Allocation:

CAG provides assistance to clients in formulating long-term, strategic asset allocation plans. Based on a client's underlying liability structure, CAG conducts asset allocation optimization and modeling. The output of the process sets the parameters for the future risk and return expectations. CAG's asset allocation recommendations are formulated utilizing our firm's capital market / asset class risk and return assumptions. Our capital market assumptions models take into consideration both long term historic index return data for the asset classes being utilized in the modeling scenarios, as well as current forecasted economic and market conditions (typically 3 - 5 years). Most of this data is derived from consensus forecasts gathered from leading global economic and research-oriented investment management firms. CAG will typically illustrate optimizations using both short term and long term data. This allows clients to view both long term norms and near term projections, and set their expectations accordingly. CAG generally revisits the capital market assumptions every three months. We believe in keeping the models fairly consistent, and adjusting the data when needed.

## 3. Recommendation of Managers and Investments:

***Prospective clients should note that all investment strategies involve risk. Investing in securities, including mutual funds, involves risk of loss of both income and principal which clients should be prepared to bear.***

When appropriate, CAG will review various independent investment managers and will make a recommendation as to which manager(s) are appropriate to implement based upon the client's IPS (or applicable portion thereof). In addition, CAG may from time to time, review various investments (typically consisting of mutual funds, commingled trusts, limited liability companies and private partnerships) to determine whether such an investment would be an appropriate vehicle to implement based on the client's IPS (or applicable portion thereof). CAG does not charge a fee for recommending managers and/or investments when CAG is engaged in a full service strategic advisory consulting capacity. Please see Item 5 - Fees and Compensation.

In performing an investment manager/and or investment vehicle search for a client, our firm utilizes both quantitative, as well as qualitative criteria, in selecting finalists for our clients to interview. CAG will review various investment vehicles and/or separately managed portfolios offered by the investment manager. A recommendation will be made based on a "best-fit" analysis based on client needs. The quantitative criteria include items such as long-term performance, consistency of returns, risk characteristics, a review of the investment manager's overall performance in both up and down markets and their performance versus benchmarks and peers. The qualitative criteria includes, among other considerations, strength of personnel, structure of investment process, client servicing and pricing. In conducting an investment manager search CAG will run preliminary screens from both internal and external databases. We will rank finalist firms based on our view of what manager may achieve the "best client fit."

CAG does not have discretionary authority to hire or fire managers. We only recommend managers to our clients that pass our selection criteria. The client, in consultation with our firm, is responsible for the final hiring or firing decision.

CAG bases its investment manager research on data from outside vendors, such as eVestment Alliance and Morningstar Direct, and, as such, we rely on the accuracy of their data. ***Clients should also be aware that past manager performance/returns does not guarantee future performance.*** Please see below for CAG's ongoing monitoring of investment managers.

#### 4. Monitoring of Investment Performance and Managers:

Client investments will be monitored based on the procedures and timing intervals delineated in the client's IPS. Our consulting staff will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Our analytical staff completes our portfolio analytics work in conjunction with our research staff. CAG employs a full suite of portfolio analytics, both in terms of holdings-based analysis and returns-based analysis. We use these tools to analyze performance attribution, style drift, and study short and long term performance patterns or cycles. In addition to operating and maintaining our proprietary system, CAG utilizes software services from Morningstar and eVestment Alliance for asset allocation, style analysis, and performance attribution. In addition to downloading monthly and quarterly manager information to our database, all investment managers in which CAG's clients are actively engaged also receive a questionnaire that they are required to complete on a quarterly basis. This questionnaire covers performance, organizational changes, and investment process. CAG uses this information received directly from the investment managers to verify the information housed within our proprietary database.

Our research staff conducts ongoing due diligence meetings with investment managers. Our associates perform periodic on-site due diligence meetings for actively monitored investment managers that invest client assets. These meetings offer the opportunity to speak face-to-face with key decision-makers at the firm, including portfolio managers, analysts, operations, and compliance personnel. On-site meetings are supplemented by investment manager meetings at our office as well as conference calls throughout the year.

Our firm utilizes a "Degree of Concern" ranking system for monitoring investment managers. We may recommend that an investment manager be terminated or placed on a formal watch list (under review) depending on the circumstances. The basic causes of an increase in our degree of concern can be boiled down to one or a combination of the following scenarios: performance-related, key personnel departures from the investment team, organizational concerns/uncertainty, and a weak investment process/changes to the investment process.

If we recommend that an investment manager should be terminated, we will assist in selecting a new investment manager. However, the move to a new investment manager and/or program is at the discretion of the client.

#### 5. Monitoring of Out Sourced Investment Programs (OCIO)

Concord will oversee the performance of the outsourced investment program to compare the portfolio performance with standard indices, OCIO peer groups, and the impact from manager selection and the OCIO's strategic / tactical asset allocation advice. The cost structure and efficiency of the program will be analyzed and Concord will negotiate fee structures. Review and revision of the client's Investment Policy, including investment objectives and guidelines, and evaluation of the OCIO's compliance with investment guidelines will be performed. An executive summary of Concord's findings is delivered quarterly, with personal presentations as needed.

### **PROJECT BASED SERVICES**

Portfolio Review; Manager Searches; Defined Contribution Plan Reviews; RFP Management (review candidates, evaluate, summarize, negotiate fees); Cost Analysis.

### **ASSETS UNDER MANAGEMENT**

As of December 31, 2022, CAG had approximately \$32.8 billion in non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

### **STRATEGIC ADVISORY SERVICES**

The specific manner in which fees are charged by CAG is established in a client's written engagement letter with CAG. The standard annual fee for Strategic Advisory Services is an aggregate of: 0.25% on client assets less than \$50,000,000; 0.10% on client assets from \$50,000,000 to less than \$100,000,000; and 0.05% on client assets over \$100,000,000. Fees are negotiable based on portfolio size and complexity with a minimum fee of \$25,000 annually. CAG's Strategic Advisory Services fee includes all the firm services listed in Item 4 - Firm Services. Where appropriate, CAG offers certain clients either a fixed annual fee or a project-based pricing option for its consulting services. This "a la carte" option only includes the service detailed in the client's engagement letter.

**Fee Calculation:** CAG's consulting fees will be based upon the market value of the client's portfolio at the end of the previous calendar year (or most recent quarter for new engagements). Fees for any calendar year will not be adjusted based on additions and withdrawals during the year. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act). CAG's fee for Project Based Consulting will be specified in the client's engagement letter and will be based on the project's complexity.

**Fee Payment:** Clients will be invoiced in arrears at the end of each calendar quarter or month end as agreed to at the start of the relationship.

**Negotiability of Fees:** All fees and account minimums may be negotiable.

**Termination:** A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice to Scott Santin, Chief Compliance Officer, at the company's address listed on the cover page. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

**Fees and Other Expenses Associated with Underlying Investment Managers and Investment Vehicles:** All fees paid to CAG for investment advisory services are separate and distinct from the fees charged by any investment managers selected to manage any portion of the client's account. Each such investment manager's fees are described in its Form ADV, Part 2A. In addition, to the extent that a client invests in a pooled investment vehicle, all fees paid to CAG for investment advisory services are separate and distinct from the fees and expenses charged by such investment vehicles to their interest holders. These fees and expenses are described in each fund's offering document. Accordingly, the client should review both the fees charged by the investment vehicles and the fees charged by CAG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to CAG's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker/dealers, including, but not limited to, any transaction charges imposed by a broker/dealer with which an independent investment manager effects transactions for the client's account(s).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

CAG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), although we may recommend investment managers and/or investment vehicles that charge performance-based fees.

## **Item 7 – Types of Clients**

As of December 31, 2022, CAG provides institutional investment consulting services to 190 client portfolios. CAG's clients generally consist of: pension, 401(k) and profit sharing plans; corporations, healthcare and insurance companies; charitable organizations, endowments and foundations; religious organizations; and family offices. Generally, CAG's clients are qualified investors.

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

In developing recommendations for our clients, we take into consideration quantitative, fundamental and traditional economic analysis factors. Our primary areas of research are Asset Class / Allocation and Investment Manager.



- Our Asset Class / Allocation research process takes into consideration the attractiveness of various asset classes, both on a historic basis as well as relative to each other. We will utilize historical pricing relationships of asset classes to determine relative attractiveness, as well as quantitative fund flow analysis. Our asset class research is utilized to develop long-term strategic asset allocation, as well as more short-term tactical recommendations.
- Our Investment Manager research relies on multiple quantitative factors including performance, risk and peer group rankings. Additionally, qualitative due diligence assessments are made by our research analysts for all managers, including through ongoing due diligence meetings with investment managers. Our Investment Manager research is utilized to identify independent managers or funds that we believe have the ability to generate competitive performance in their specific area of expertise.

CAG's Investment Strategy Group meets monthly to discuss the current market environment and how it impacts our current capital market assumptions. As of the date of this brochure, the Investment Strategy Group consists of fifteen consulting and research professionals and is headed by the Managing Partner, who oversees all research activities. When developing our outlook, CAG looks beyond the factors we model and monitor internally by also surveying the outlooks of leading, research oriented investment managers. Doing so allows CAG to develop a well-rounded view of the marketplace when developing asset allocation recommendations. Please see Asset Allocation in Item 4 - Firm Services.

***Risk of Loss:*** Prospective clients should note that all investment strategies involve risk. Investing in securities, including mutual funds, involves risk of loss of both income and principal which clients should be prepared to bear.

***Risk Associated with Underlying Investment Managers and Investment Vehicles:*** CAG will not have any control over the investments made by the client's underlying investment managers. Clients are advised to review the underlying asset managers' brochure and offering documents. Although CAG employs a due diligence process to review the underlying investment managers (for direct investment by a client or that manage any recommended investment vehicle), there is no assurance that such efforts will detect malfeasance, inadequate back office systems or other flaws or problems with respect to the underlying investment manager's operations and activities. In addition, two or more underlying investment managers and/or investment vehicles may invest in similar industries or sectors, resulting in investments held by the client that are concentrated in a single industry or that are in competition with each other.

Investment management fees will be charged to the client by both CAG and the underlying investment managers. As a result, the client bears multiple investment management fees that in the aggregate exceed the fees that would typically be incurred by a direct investment with an underlying investment manager.

***Risks for all forms of analysis:*** Our analytical methods rely on the assumption that the vendors whose information we purchase, the rating agencies that review investment managers and securities, and other publicly-available sources of information about investment managers and securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that such information is inaccurate.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of CAG or for evaluating the integrity of CAG's consultants. None of the company's officers, consultants or other employees have been the subject of any disciplinary actions by the SEC.

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

CAG is independently operated and does not have affiliations with any other investment managers, broker/dealers, solicitors, placement agents or finders. CAG does not receive compensation from third parties for recommending investment managers or investment vehicles to clients; one hundred percent of our firm's revenues are from advisory fees paid by our institutional clients.

## **Item 11 – Code of Ethics**

CAG has adopted a Code of Ethics which sets forth high ethical standards of business conduct and fiduciary duty to our clients that CAG requires of its employees. All supervised persons at CAG must acknowledge the terms of the Code of Ethics annually, or as amended. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by CAG's access persons. Among other things, CAG's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. A copy of CAG's Code of Ethics is available at any time to CAG clients or prospective clients. The request should be submitted to the Chief Compliance Officer, Scott Santin, at the company's address listed on the cover page.

## **Item 12 – Brokerage Practices**

CAG does not receive any soft dollar benefits from investment managers or custodians. One hundred percent of our revenue comes from advisory fees paid by our institutional clients. CAG does not recommend brokers/dealers to our clients. The choice of broker/dealer is left to the discretion of each asset manager who is instructed to operate under the practice of best execution and best pricing.

### **Item 13 – Review of Accounts**

REVIEWS: CAG will review client IPS' whenever clients indicate a change in circumstances regarding the needs of the plan. CAG will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly when client reports are prepared. Each calendar quarter, the consultant files for each client are reviewed to ensure notes on meetings and client activity are properly recorded, and that client tasks have been completed. All such reviews will be conducted by the Consultant assigned to advise each client.

REPORTS: CAG clients will receive written reports as contracted in their engagement letter at the inception of the advisory relationship. These reports will typically include: Analysis of Manager and Investment Vehicle (when information is publicly available); compliance with Plan Investment Policy and Objectives; Performance Analysis; Asset Diversification Analysis; and Areas of Concern. Client reports are compiled by CAG's Analysts and Consultants and reviewed by the Consultant assigned to each client. CAG clients will also receive monthly/quarterly statements from their custodians and managers. Please see Item 15 - Custody.

### **Item 14 – Client Referrals and Other Compensation**

It is CAG's policy not to accept or allow our supervised persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

From time to time and on an informal basis, independent money managers CAG has recommended for client accounts may, as they believe appropriate, refer prospective clients to CAG. CAG has not and will not, make commitments to any such manager to compensate that manager directly or indirectly through future recommendations made to clients.

### **Item 15 – Custody**

CAG does not maintain custody of any client assets. Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains the client's investment assets. CAG urges clients to carefully review such statements and compare such official custodial records to the client reports that we provide to clients.

### **Item 16 – Investment Discretion**

CAG does not trade securities on behalf of clients. CAG is not provided discretionary authority over the client's assets, as stated in the engagement letter. Third party managers hired by the client are generally expected to have discretionary authority over the client's assets.

As noted above, the client retains all authority for hiring and firing investment managers or for selecting underlying investment vehicles. CAG will review the client's investment manager(s)' accounts and applicable investment vehicles, as specified upon client engagement, to ensure they are conforming to the client's investment policy objectives. A client's investment policy guidelines and restrictions must be provided to CAG in writing.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, CAG does not vote proxies. However, our firm may provide advisory services, upon a client's request, relative to the client's voting of the proxies for pooled vehicles. Clients may obtain a copy of proxy advice provided by contacting their Consultant. Clients maintain exclusive responsibility for 1) directing the manner in which proxies solicited by issuers are voted and 2) making all elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relevant to the client's investment assets.

### **Item 18 – Financial Information**

Under no circumstances does CAG require or solicit payment of fees in excess of \$1,200 per client, more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

CAG has not been the subject of a bankruptcy petition at any time since its inception.

### **Privacy Policy**

CAG collects nonpublic information from our clients. This nonpublic information includes: name, address, social security number, Custodian and Money Manager account numbers and the financial data in those accounts. CAG does not disclose any nonpublic personal information about our customers or furnish customer information to any non-affiliated third party, except to provide the services authorized by the client, or as otherwise required by law. CAG restricts access to nonpublic personal information about clients to only those employees who need to know that information to provide products or services to such clients. CAG maintains physical, electronic and procedural safeguards, as detailed in our compliance manual, that are designed to comply with federal standards to guard clients' nonpublic personal information.