

**Item 1 – Cover Page**

**PKS Investment Advisors LLC**

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March 14, 2023

This Brochure provides information about the qualifications and business practices of PKS Investment Advisors LLC (“PKSIA”). If you have any questions about the contents of this Brochure, please contact us at (410) 546-5600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

PKSIA 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 PKSIA 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 PKSIA is 110147.

## **Item 2 – Material Changes**

This Item of the Brochure discusses only specific material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes. The last annual update of our Brochure was March 14, 2022.

Our current Brochure included the following material change:

Item 5 was updated to reflect our current investment management services fee schedule and retirement benefit plan fees.

Please note that we have also updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Daniel M. O’Connell, Chief Compliance Officer, at (410) 546-5600. Our Brochure is also available on our web site [www.pksadvisors.com](http://www.pksadvisors.com), also free of charge.

(Brochure Date: 03/14/2023)

(Date of Most Recent Annual Updating Amendment: 03/14/2023)

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## Item 4 – Advisory Business

PKSIA has been providing advisory services since 2000. It is owned by an affiliated accounting firm, PKS & Company, P.A. As of December 31, 2022, PKSIA managed \$146,710,720 on a discretionary basis and \$2,525,684 on a non-discretionary basis for total assets under management of \$149,236,405.

### **Investment Management Services:**

PKSIA manages investment portfolios for individuals, qualified retirement plans, trusts, not-for-profit organizations, and small businesses. PKSIA will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. PKSIA uses investment and portfolio allocation software to evaluate alternative portfolio designs. PKSIA evaluates the client's existing investments with respect to the client's investment policy statement. PKSIA works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by PKSIA. PKSIA will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

PKSIA will typically create a portfolio of no-load mutual funds and may use model portfolios if the models match the client's investment policy. PKSIA will allocate the client's assets among various investments taking into consideration the overall risk and return profile of the client. PKSIA primarily recommends portfolios consisting of passively managed asset class and index mutual funds. PKSIA primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

PKSIA manages mutual fund and equity portfolios on a discretionary or nondiscretionary basis. A Client may impose any reasonable restrictions on PKSIA's discretionary authority, including restrictions on the types of securities in which PKSIA may invest client's assets and on specific securities, which the client may believe to be appropriate.

PKSIA may also recommend to advisory clients fixed income portfolios, which consist of managed accounts of laddered individual bond portfolios. The Firm will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to engage a third party fixed income manager. PKSIA has contracted with Buckingham Strategic Partners, LLC for sub-

advisory services with respect to clients' fixed income accounts. A client agreement, including this discretionary authority granted to PKSIA by the client to hire a fixed income sub-advisor, may be canceled at any time for any reason upon receipt of 30 days written notice.

Pursuant to its discretionary authority, PKSIA will engage the fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain PKSIA's consent prior to the sale of any client securities.

On an ongoing basis, PKSIA will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. PKSIA will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. PKSIA will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, PKSIA may consult with clients on various financial planning areas including income and estate tax planning, disability income analysis, business sale structures, college financial planning, retirement planning, insurance and risk management analysis, personal cash flow analysis, investment analysis, establishment and design of retirement plans and trust designs, among other things. Additionally, for certain complex insurance products, an unaffiliated third-party insurance specialist may assist with reviewing and facilitating insurance products for PKS clients and will share the insurance commissions with PKSIA accordingly. Clients are under no obligation to obtain insurance products from PKSIA or any third-party specialist recommended by PKSIA.

Additionally, PKSIA provides advice on non-securities matters. Generally, this is in connection with the rendering of insurance and/or annuity advice.

### **Employee Benefit Plan Services:**

PKSIA also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

PKSIA will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. PKSIA will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

PKSIA will recommend changes in the plan's investment vehicles as may be appropriate from time to time. PKSIA generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, PKSIA also works in coordination and support with Buckingham Strategic Partners, LLC. Retirement plan clients will engage both PKSIA and Buckingham Strategic Partners, LLC. Buckingham Strategic Partners, LLC will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

PKSIA will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by PKSIA is established in a client's written agreement with PKSIA. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which PKSIA calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade). PKSIA may also charge an hourly fee for financial planning services.

For Investment Management and Employee Benefit Plan Services, PKSIA will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to PKSIA or its designated service provider, Buckingham Strategic Partners, LLC, to withdraw fees from the

account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit PKSIA's fee and remit such fee to PKSIA.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

PKSIA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to PKSIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to PKSIA's fee, and PKSIA shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure for additional information about PKSIA's Brokerage Practices.

### **Advisory Fees**

#### **Investment Management Services:**

The standard annual fee for investment management services for new accounts will be charged as a percentage of assets under management, not to exceed 1.25% annually.

Fees are negotiable based on family relations or individual circumstances including account size, potential future account growth, business relationships and the level and scope of the services requested. Individual accounts for immediate family members (such as husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts.

PKSIA requires a minimum annual fee of \$2,000 for Investment Management Services. A minimum of \$400,000 is generally required for management services of portfolios of individual fixed income securities. Minimum account sizes may be negotiable under certain circumstances.

PKSIA may provide financial planning services at an hourly rate of \$300 per hour in accordance with a written agreement signed in advance of services provided. PKSIA may also receive compensation for providing educational seminars to non-clients.

Certain pre-existing Investment Management Services clients may be on a different fee schedule.

PKSIA has contracted with Buckingham Strategic Partners, LLC for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. PKSIA has also contracted with Buckingham Strategic Partners, LLC for sub-advisory services with respect to clients' fixed income accounts. PKSIA pays a fee for Buckingham Strategic Partners, LLC's services based on management fees paid to PKSIA on accounts that use Buckingham Strategic Partners, LLC. The fee paid by PKSIA to Buckingham Strategic Partners, LLC consists of a portion of the fee paid by clients to PKSIA and varies based on the total client assets participating in Buckingham Strategic Partners, LLC through PKSIA (tiered ranging from 20%-40%). These fees are not separately charged to advisory clients and the fee schedule below reflects the fees that advisory clients are charged. The fee charged by PKSIA to its clients includes all sub-advisory fees charged by Buckingham Strategic Partners, LLC.

#### **Employee Benefit Plan Services:**

Plan services are generally charged as a percentage of assets within the plan. SIMPLE-IRA plans incur additional charges for initial onboarding of the plan and inception of participants.

<b>Assets Under Management</b>	<b>Buckingham Strategic Partner's Annual Fee</b>	<b>PKSIA's Annual Fee</b>	<b>Total Fee</b>
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.08%	0.25%	0.33%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

Fees are negotiable based on individual circumstances including account size, potential future account growth, business relationships and the level and scope of the services requested.



PKSIA and Buckingham Strategic Partners, LLC share this fee according to a percentage negotiated between PKSIA and Buckingham Strategic Partners, LLC. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

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

PKSIA 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). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

PKSIA provides services to individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses.

PKSIA requires a minimum annual fee of \$2,000 for Investment Management Services. A minimum of \$400,000 is generally required for management services of portfolios of individual fixed income securities. Minimum account sizes may be negotiable under certain circumstances.

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

### *Methods of Analysis and Investment Strategy*

PKSIA's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory and the Efficient Markets Theory. PKSIA's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. PKSIA recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. PKSIA selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, PKSIA's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. PKSIA's investment philosophy is designed for investors who desire a buy and hold strategy.

Frequent trading of securities increases brokerage and other transaction costs that PKSIA's strategy seeks to minimize.

In the implementation of investment plans, PKSIA therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. PKSIA may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and PKSIA may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

PKSIA's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

PKSIA receives supporting research from Buckingham Strategic Partners, LLC and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). PKSIA utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to PKSIA.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, PKSIA relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, PKSIA may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by PKSIA may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in PKSIA's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by PKSIA may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **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 your evaluation of PKSIA or the integrity of PKSIA's management. PKSIA has no information applicable to this Item.

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

### Affiliated Accounting Firm

Officers of PKSIA are also officers of the accounting firm, PKS & Company, P.A. (Pigg, Krah, Stern) (hereinafter "PKS& Co"), which may recommend PKSIA to accounting clients in need of advisory services. As disclosed in Item 4, PKS& Co is the primary owner of PKSIA. PKSIA may also recommend PKS&Co to advisory clients in need of accounting services. There are no referral fee arrangements or direct referral fee compensation between PKS& Co and PKSIA for their recommendations. However, referrals can create a conflict of interest. Accounting services provided by PKS&Co are separate and distinct from the advisory services of PKSIA, and are provided for separate and typical compensation. No PKSIA client is obligated to use PKS& Co for any accounting services.

PKS& Co's services also include record keeping, plan design and compliance services for qualified pension plans that may be receiving advisory services from PKSIA.

### Insurance Company & Licensed Insurance Agents

PKSIA is a licensed insurance agency that offers and sells term and permanent life insurance products, long-term care products, disability insurance, life settlements and fixed annuity products. Employees of PKSIA are licensed in their individual capacity and are therefore able to recommend and sell insurance products, including annuity products. As such, these individuals will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Additionally, PKSIA will receive all commissions paid by the insurers.

Additionally, for certain complex insurance products, an unaffiliated third-party insurance agent may assist with reviewing and facilitating insurance products for PKSIA clients and will share the insurance commissions with PKSIA accordingly. Clients, however, are not under any obligation to engage these individuals when considering implementation of insurance recommendations. While these individuals endeavor at all times to put the interest of the clients first as part of PKSIA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

### Buckingham Strategic Partners, LLC

As described above in Item 4, PKSIA may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. PKSIA selects Buckingham Strategic Partners, LLC for such fixed income management. PKSIA also contracts with Buckingham Strategic Partners, LLC for back office services and assistance with portfolio modeling. PKSIA has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that Buckingham Strategic Partners, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of PKSIA continuously makes this assessment. While PKSIA has a contract with Buckingham Strategic Partners, LLC governing a time period for back office services, PKSIA has no such fixed commitment to the selection of Buckingham Strategic Partners, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to Buckingham Strategic Partners, LLC.

## **Item 11 – Code of Ethics**

PKSIA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. PKSIA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth PKSIA's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with PKSIA will buy and sell securities for their personal accounts that are identical to those recommended to clients. The ability to invest in the same securities as clients represents a conflict of interest. Based on an individual's unique need, willingness and need to take risk, transactions by an individual associated with PKSIA may be different than a recommended PKSIA client transaction. This different recommendation can present a conflict of interest but is based on each individual's unique circumstances. In addition, PKSIA typically utilizes open end mutual funds, which mitigates this conflict as mutual funds are priced once per day at net asset value (NAV). It is the expressed policy of the Firm that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, PKSIA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. PKSIA also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

PKSIA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. PKSIA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

PKSIA will provide a complete copy of its Code of Ethics to any client or prospective upon request.

It is PKSIA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. PKSIA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

PKSIA arranges for the execution of securities transactions with the assistance of Buckingham Strategic Partners, LLC. Through Buckingham Strategic Partners, LLC, PKSIA participates in the Schwab Advisor Services ("SAS") services program offered to independent investment advisers by Charles Schwab & Company, Inc., TD Ameritrade Institutional ("TDA") services program offered to independent advisers by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") and the Fidelity Institutional Wealth Services ("FIWS") program sponsored by Fidelity Brokerage Service, LLC ("Fidelity"). SAS, TDA and Fidelity are FINRA broker dealers and members of SIPC.

SAS, TDA and Fidelity brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. PKSIA regularly reviews these programs to ensure that its recommendation is consistent with its fiduciary duty. These trading platforms is essential to PKSIA's service arrangements and capabilities, and PKSIA may not accept clients who direct the use of other brokers. As part of these programs, PKSIA

receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As PKSIA will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct PKSIA as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that PKSIA will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific brokers.

Other than through SAS, TDA and Fidelity, PKSIA will not exercise authority to arrange client transactions in fixed income securities through other broker-dealers. Clients will provide this authority to a fixed income manager retained by PKSIA on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SAS, TDA and Fidelity do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While PKSIA will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

PKSIA does not have any arrangements to compensate any broker dealer for client referrals.

PKSIA does not maintain any client trade error gains. PKSIA makes client whole with respect to any trade error losses incurred by client caused by PKSIA. For clients utilizing TDA for brokerage services, TDA maintains a policy that any trade error gains will be donated by TDA to charity.

PKSIA generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which PKSIA arranges transactions. Buckingham Strategic Partners, LLC, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a PKSIA client's orders may be aggregated with an order for another client of Buckingham Strategic Partners, LLC who is not a PKSIA client. See Buckingham Strategic Partners, LLC's Form ADV Part 2.

**Employee Benefit Retirement Plan Services:**

PKSIA does not arrange for the execution of securities transactions for plans utilizing Employee Benefit Retirement Plan Services. Transactions are executed directly through employee plan participation. PKSIA may, however, arrange for execution of securities transactions for certain plans that use SAS as custodian.

**Item 13 – Review of Accounts****Reviews:****Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by an Investment Advisor Representative of PKSIA. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

**Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed on a quarterly basis, and according to the standards and situations described above for investment management accounts.



**Reports:**

All clients will receive quarterly performance reports, prepared by Buckingham Strategic Partners, LLC and reviewed by PKSIA, that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

**Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from PKSIA. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

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

PKSIA will, from time to time, compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. PKSIA is aware of the special considerations promulgated under Section 206(4)-1 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by PKSIA and all applicable Federal and/or State laws will be observed. If required, promoters shall be obligated to obtain any required registrations and/or licensing. The use of promoters creates a conflict of interest. However, PKSIA seeks to minimize this conflict by maintaining the same advisory fee schedule for clients referred to PKSIA by a Promoter.

**Other Compensation**

As indicated under the disclosure for Item 12, SAS provides PKSIA with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit PKSIA but may not benefit its clients' accounts. Many of the products and services assist PKSIA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of PKSIA's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services

generally may be used to service all or a substantial number of PKSIA's accounts. SAS also makes available to PKSIA other services intended to help PKSIA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. PKSIA does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, PKSIA endeavors to act in its clients' best interests, PKSIA's requirement that clients maintain their assets in accounts at SAS may be based in part on the benefit to PKSIA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

PKSIA also receives software from DFA, which PKSIA utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for PKSIA personnel. These services are designed to assist PKSIA plan and design its services for business growth.

As disclosed in Item 10, PKSIA and/or its licensed insurance agents are able to recommend and purchase insurance products for PKSIA clients. PKSIA and licensed individuals will be able to receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. Clients should be aware that this separate compensation creates a conflict of interest.

## **Item 15 – Custody**

Investment Management and Employee Benefit Plan Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. PKSIA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

While PKSIA does not have custody of clients' securities and/or assets, PKSIA does have arrangements to withdraw its advisory fees directly from a clients' account.

## **Item 16 – Investment Discretion**

PKSIA requests that it be provided with written authority to determine which securities and

the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to engage a third-party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written investment advisory agreement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, PKSIA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to PKSIA in writing.

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

Proxy Disclosures: As a matter of firm policy and practice, PKSIA does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. PKSIA, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that PKSIA will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct PKSIA to transmit copies of class action notices to the client or a third party. Upon such direction, PKSIA will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about PKSIA's financial condition. PKSIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.