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DBA  
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**March 24, 2023**

**Form ADV Part 2A Brochure**

This brochure provides information about the qualifications and business practices of Bedminster L.L.C., dba The Bedminster Group. If you have any questions about the contents of this brochure, please contact us at (843) 705-5544 or [e.balerna@thebedminstergroup.com](mailto:e.balerna@thebedminstergroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The Bedminster Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our IARD number is 118794.

The Bedminster Group is a registered investment advisor with the Securities and Exchange Commission. This registration does not imply any certain level of skill or training.

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

Since the March 23, 2022, Annual Amendment update, this Form ADV Part 2A Brochure has been amended as follows:

- Item 5 has been updated to reflect that we now bill on a calendar quarter basis and to reflect a change in our hourly consulting fee rate.
- Various disclosures in Item 5 have also been revised for conciseness.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (843) 705-5544 or [e.balerna@thebedminstergroup.com](mailto:e.balerna@thebedminstergroup.com).

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

##### **Description of Services and Fees**

Bedminster L.L.C., dba The Bedminster Group (hereinafter "TBG") is a registered investment adviser based in Bluffton, South Carolina. We are a limited liability company, formed under the laws of the State of South Carolina. We have been providing investment advisory services since 1997. Gene Balerna, CIMA®, is the Principal Owner of TBG.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm, including Mr. Balerna. Such persons are properly registered as investment adviser representatives in applicable jurisdictions where required.

##### **Portfolio Management Services**

Our firm offers discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without first obtaining your consent. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and help you decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

TBG does not recommend one particular type of security over other types of securities, but we do provide advice on various types of securities, such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, return enhanced notes, and interests in partnership investing in real estate. Additionally, will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

If you engage us for portfolio management services, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions and/or your financial circumstances.

##### ***Recommendation of Sub Advisors***

As part of our overall portfolio management strategy, we may use one or more sub-advisors to manage all or a portion of your account. All sub-advisors recommended by our firm must either be registered as investment advisors or exempt from registration requirements. These sub-advisors may specialize in private equity investments, private credit markets, hedge funds or other types of alternative investments. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub-advisor's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and

investment objectives. We will periodically monitor the sub-advisor's performance to ensure its management and investment style remains aligned with your investment goals and objectives. We retain the right to hire and fire sub-advisors and the right to reallocate client assets to other model portfolios at the same sub-advisor. The fees charged by sub-advisors are separate and distinct from the fees charged by our firm. Such fees will be clearly listed in the disclosure document(s) provided by the sub-advisor.

#### **General Consulting Services**

TBG provides general consulting services that focus on the specific needs and concerns of the client. Advisory consulting services may include giving advice on investment and investment related matters. These services include the identification of financial goals and objectives, collection and assessment of all relevant data, identification of financial problems and formulation of solutions, and the preparation of a financial plan in the form of specific written recommendations. The services we provide will typically focus on one or more of the following areas:

*Retirement Planning:* Retirement Planning is a process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets. Future cash flows are estimated to determine if the retirement income goal will be achieved.

*Tax Planning:* The goal of tax planning is to arrange your financial affairs so as to minimize your taxes. There are three basic ways to reduce your taxes, and each basic method might have several variations. You can reduce your income, increase your deductions, and take advantage of tax credits.

*Investment Planning:* The goal of investment planning is to determine the investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. The process realizes strengths, weaknesses, opportunities and risks in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other tradeoffs encountered in the attempt to maximize return at a given risk.

Our advice is based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

The consulting engagement ends at the time the requested services are completed. The client is exclusively responsible for implementing any accepted recommendations. Clients should note that TBG does not monitor the client's account once the recommendation has been provided.

#### **Retirement Plan Consulting Services**

Trustee Directed Plans. TBG may be engaged to provide discretionary investment advisory services to retirement plans, whereby TBG shall manage the plan assets consistent with the investment objective designated by the plan trustee(s). In such engagements with qualified plans, TBG will serve as an investment fiduciary and an investment manager, as those terms are defined under The Employee Retirement Income Security Act of 1974 ("ERISA") Sections 3(21) and 3(38), respectively. TBG will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the plan and TBG.

Participant Directed Retirement Plans. TBG may also provide investment advisory and consulting services to participant-directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement

between TBG and the plan. To the extent requested by the client, TBG can assist the plan sponsor with the selection of an investment platform from which plan participants shall make their respective investment choices (which may include investment strategies devised and managed by TBG), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

Client Retirement Plan Assets. TBG may also be engaged provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, TBG shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. TBG's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. TBG will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify TBG of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

#### **Wrap Fee Programs**

We do not sponsor, manage, or participate in any wrap fee programs.

#### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, 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.

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:

An employee will typically have four options:

- Leaving the funds in your employer's (former employer's) plan.
- Moving the funds to a new employer's retirement plan.
- Cashing out and taking a taxable distribution from the plan.
- Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or

whether you might want to consider other types of investments.

- a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

#### **Assets Under Management**

As of December 31, 2022, we had approximately \$157,707,071 in discretionary assets under management and \$0 in non-discretionary assets under management.

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

##### **Portfolio Management Services**

For portfolio management services, TBG charges an annual fee based on a percentage of assets under management. The annual fee is based on the following fee schedule:

<b>Amount of Assets Under Management</b>	<b>Annual Advisory Fee</b>
\$0 to \$1,000,000	1.00%
\$1,000,001 to \$2,500,000	0.90%

\$2,500,001 to \$5,000,000	0.80%
\$5,000,001 to \$8,000,000	0.70%
Over \$8,000,000	Negotiable

Fees are payable, calendar quarterly in advance and are based on the gross market value of the Assets on the last business day of the previous quarter. Fees will be pro-rated for the first partial quarter and adjusted for any deposits or withdrawals during the quarter. No increase in the annual fee percentage shall be effective without prior written notification to the client.

Under certain circumstances, fees may vary from the stated fee schedule. TBG, in its sole discretion, may waive its investment management fee or may charge a lesser fee based upon certain criteria (including but not limited to friends and family, firm personnel, historical relationship, type of assets, anticipated future additional assets, overall scope of services, dollar amounts of assets to be managed, related accounts, negotiations with clients, etc.). In addition, certain legacy fee arrangements exist which are not discussed in this firm brochure. Because of these factors, similarly-situated clients may pay materially different fees, and the services to be provided by TBG may be available from other investment advisers for similar or lower fees. Clients are advised to consult their services agreement with TBG for specific details regarding their fee arrangement.

Generally, the custodian holding the client's account will deduct TBG's fees and any other custodial fees directly from a designated account to facilitate billing provided the client has given written authorization. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. Fees may be deducted from a single designated client account to facilitate billing. In limited circumstances, at the sole discretion of TBG, we may agree to invoice you directly for our advisory fee or we may negotiate other fee payment arrangements.

You may terminate the portfolio management services agreement upon 15-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

#### **General Consulting Services Fees**

Consulting services are offered for negotiable hourly rate of up to \$400, subject to a minimum engagement of 3 hours. The exact fee payable by the client will be clearly listed in the services agreement signed by the firm and the client. All Fees are payable as invoiced. TBG will not have access to client funds for payment of fees without the client's written consent. TBG or the client may terminate the Consulting Agreement in accordance with the terms of the Agreement. Any prepaid, unearned fees will be promptly refunded to the client.

#### **Retirement Plan Consulting Services Fees**

The fees and compensation charged by TBG is negotiated independently with each Plan Sponsor in order to consider the varying, unique characteristics or requirements of each plan. Primary determinants of the negotiated fee may include but are not limited to the:

- Amount of plan assets,
- Number of employees / participants,



- Number of plan sponsor locations, and
- Special plan sponsor considerations or requirements.

Delivery of compensation or fees to TBG is dependent upon on the invoicing or fee assessment frequency (monthly, quarterly) and policies (“arrear” or “in advance”) of the Plan Provider/Platform utilized by the Plan Sponsor. The exact fee and fee payment method will be clearly listed in the retirement plan consulting agreement signed by the client and the TBG.

Either party to the advisory agreement may terminate the agreement upon 30-days’ written notice to the other party. The fees will be prorated for the quarter in which the termination notice is given, and any unearned fees will be refunded to the client.

#### **Additional Fees and Expenses**

Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client’s financial circumstances, among others. The agreed upon fee to be paid by the client will be clearly stated in the Agreement signed by the client and the firm.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund’s prospectus) to their shareholders. These fees will generally include an advisory fee and other fund expenses.

You will also incur custodial fees, transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs. We do not share in any portion of the fees or charges imposed by the broker-dealer or custodian. Where suitable, we will recommend no-load mutual funds. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the “Brokerage Practices” section of this Disclosure Brochure.

**Cash Positions.** TBG considers cash and cash equivalents (e.g., money market funds, etc.) to be a material component of an investor’s asset allocation. Therefore, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), TBG may maintain cash and cash equivalent positions for defensive, liquidity, or other purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating the TBG’s advisory fee. Clients are advised that, at any particular time, the fee charged by TBG for advisory services may exceed the yield earned on cash and cash equivalent positions.

**Periods of Portfolio Inactivity.** TBG has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, TBG will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client’s financial circumstances, and changes in the client’s investment objectives. Based upon these and other factors, there may be extended periods of time when TBG determines that changes to a client’s portfolio are neither necessary nor

prudent. Notwithstanding, unless otherwise agreed in writing, TBG's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by TBG will be profitable or equal any specific performance level(s).

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

Note: Information related to tax or legal consequences that is provided as part of overall portfolio management service is for informative purposes only. Clients are instructed to contact their tax professionals or attorneys for tax or legal advice.

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

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

#### **Types of Clients - Item 7**

We offer investment advisory services to individuals, high net worth individuals, Pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations, or other business entities.

Generally, we require a minimum of \$300,000 to establish an advisory relationship. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members. In cases where the stated minimum is waived, clients will be subject to a minimum annual fee of \$3,000. The fee charged by TBG will not exceed 2.00% of client assets under management.

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

We may use one or more of the following methods of analysis and/or investment strategies when providing investment advice to you:

- *Fundamental Analysis* – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The

primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- *Technical Analysis* – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.
- *Cyclical Analysis* – cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company. The primary risks with cyclical analysis are similar to those of technical analysis.
- *Charting Analysis* – charting analysis involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends. The primary risk of charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

We may use one or more of the following investment strategies when advising you on investments:

- *Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately

higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

- **Trading** – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Other factors, such as changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies, may affect investments as well. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.
- **Option Writing** – an option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control 100 shares of an underlying stock. This leverage can compound gains or losses.
- **Margin Transactions** – Occasionally, we may implement margin strategies. These strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. We primarily use margin transactions to facilitate option trading or to cover short term cash needs of the client, and not as a means of leveraging the account and increasing assets under management. Interest is charged on any borrowed funds for the period that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer’s collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker-dealer can force the sale of securities or other assets in your account.
- The broker-dealer can sell your securities or other assets without contacting you.
- You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
- The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- You may not be entitled to an extension of time on a margin call.

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

The investment advice provided along with the strategies suggested by TBG will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of

a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies. Typically, the valuation that we use for billing purposes is based on the amount of the initial investment, or any updated value provided by the sponsor/issuer.

**Illiquid securities:** Illiquid securities involve the risk that investments may not be readily sold at the desired time or price. Securities that are illiquid, that are not publicly traded, and/or for which no market is currently available may be difficult to purchase or sell, which may impact the price or timing of a transaction. An inability to sell securities can adversely affect an account's value or prevent an account from taking advantage of other investment opportunities. Lack of liquidity may cause the value of investments to decline and illiquid investments

may also be difficult to value. A Client may not be able to liquidate investment in the event of an emergency or any other reason.

Certain investment strategies used by our firm may invest in illiquid asset vehicles, such as private equity and real estate. Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle's investment policy and governing documents that often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc. In addition, investments in illiquid securities or vehicle may normally involve investment in non-marketable securities where there is limited transparency. If obligated to sell an illiquid security prior to an expected maturity date, particularly with an infrastructure investment, they may not be able to realize fair value. Investments in illiquid securities or vehicles may include restrictions on withdrawal rights and shares may not be freely transferable.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Cybersecurity Risks:** Our firm and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, however, unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, Clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a Client's investment in such securities to lose value.

**Disciplinary Information - Item 9**



Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TBG's advisory business or of the integrity of its management personnel. We have no material history of legal or disciplinary events to report under this item. However, information regarding management persons of our firm and TBG can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Neither TBG nor any of our Associated Persons, including Mr. Balerna, are registered as, or have pending applications to register as, a broker/dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or are currently an associated person of any the foregoing types of entities.

TBG maintains professional relationships with CPAs, tax preparers, banks and attorneys. These relationships permit us to coordinate services on behalf of a client. We receive referrals and make referrals to these professionals, but these are based upon their ability to work with a particular client; these referrals do not involve any financial consideration or expectation of referrals in return.

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

##### **Description of Our Code of Ethics**

TBG has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes TBG's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of TBG's Code of Ethics is available upon request at (843) 705-5544 or [e.balerna@thebedminstergroup.com](mailto:e.balerna@thebedminstergroup.com).

##### **Personal Trading Practices**

At times, TBG and/or its Advisory Representatives may take positions in the same securities as clients. This is considered a conflict of interest with clients. TBG and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades, however, we will uphold our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Alternatively, Accounts owned by our firm or persons associated with our firm may participate in



block trading with client accounts; however, they will not be given preferential treatment. Mutual fund purchases are not subject to these policies because the transactions are executed at NAV at the end of the trading day.

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

TBG has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

##### *Your Custody and Brokerage Costs*

Schwab generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account.

##### *Research and Other Soft Dollar Benefits*

Although not considered "soft dollar" compensation, TBG may receive some economic benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Below is a detailed description of Schwab's support services.

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

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;

- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

*Services that Generally Benefit Only Us:* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

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

We have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution. TBG understands its duty for best execution and considers all factors in making recommendations to clients. These additional services may be useful in servicing all TBG clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While TBG may not always obtain the lowest commission rate, TBG believes the rate is reasonable in relation to the value of the brokerage and research services provided.

#### **Brokerage for client Referrals**

We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

In very limited circumstances, and at our sole discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. In the event that a client directs TBG to use a particular broker/dealer, the firm may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the firm to use a particular broker/dealer and those that don't.

#### **Trade Aggregation/Block Trading**

We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts whenever possible and where in clients' best interest (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. In rare instances, such as partial fills or limited shares of thinly traded or illiquid stocks, it may be necessary to place block trades for only small groups of clients over a period of time. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a

proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

#### Review of Accounts - Item 13

##### **Managed Account Reviews**

TBG monitors client's managed accounts on a continuous basis and recommends a formal review with the client at least annually. Accounts are reviewed by the Associated Person assigned to the account. Consulting clients do not receive complementary ongoing reviews but are encouraged to engage us annually for a review meeting.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or a client's request. Clients are encouraged to notify our firm if changes occur in their personal financial situation.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Additionally, TBG will provide performance reports on an as needed basis.

#### Client Referrals and Other Compensation - Item 14

Apart from the additional services received from Schwab that we have described in Item 12 above, we do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our clients.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals. TBG maintains professional relationships with CPAs, tax preparers, banks and attorneys. These relationships permit us to coordinate services on behalf of a client. We receive referrals and make referrals to these professionals, but these are based upon their ability to work with a particular client; these referrals do not involve any financial consideration or expectation of referrals in return.

#### Custody - Item 15

We do not have physical custody of any of your funds and/or securities. However, we are deemed to have custody over your funds or securities because of the fee deduction authority granted by the client.

With respect to third party standing letters of authorization ("SLOA") where a client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we comply with the representations

noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account. You should carefully review account statements for accuracy. If you have questions regarding your account or if you did not receive a statement from your custodian, please contact us at (843) 705-5544 or [e.balerna@thebedminstergroup.com](mailto:e.balerna@thebedminstergroup.com).

#### Investment Discretion - Item 16

TBG offers management services on a discretionary basis. Clients must grant discretionary authority in the advisory agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts.

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

##### **Proxy Voting**

Generally, TBG does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

##### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. TBG has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

**Financial Information - Item 18**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

**Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC registered.**

### **The Bedminster Group Privacy Notice**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P") and/or comparable state laws. Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

The Bedminster Group must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with applicable federal and/or state laws, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors, broker-dealer firms having regulatory requirements to supervise certain of The Bedminster Group's activities, and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

The Bedminster Group strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we urge our clients to provide feedback and updated information to help us meet our goals.