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## Appendix 1 Wrap Fee Disclosure Brochure

August 2023

This wrap fee program brochure provides information about the qualifications and business practices of Csenge Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at (727)437-6000. 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.

Csenge Advisory Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about Csenge Advisory Group, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

There are no material changes to report since the firm's last annual updating amendment in April, 2022.

Currently, our brochure may be requested by contacting [compliance@csenge.com](mailto:compliance@csenge.com). We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered as investment adviser representatives ("your advisory representative") of CAG. Information on our investment adviser representatives who work with your account can be found in our brochure supplements.

## Table of Contents

<b>Services, Fees and Compensation..</b>	<b>3</b>
Advisory Services .....	3
Fees and Compensation.....	4
<b>Account Requirements and Types of Clients.....</b>	<b>7</b>
<b>Portfolio Manager Selection and Evaluation .....</b>	<b>7</b>
Other Advisory Business .....	8
Individualized Service .....	10
Management of Wrap Accounts.....	11
Performance-Based Fees .....	11
Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Voting Client Securities .....	12
<b>Client Information Provided to Portfolio Managers.....</b>	<b>12</b>
<b>Client Contact with Portfolio Managers .....</b>	<b>13</b>
<b>Additional Information.....</b>	<b>13</b>
Disciplinary Information.....	13
Other Financial Industry Activities and Affiliations.....	13
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	14
Review of Accounts .....	15
Client Referrals and Other Compensation.....	16
Financial Information.....	16

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## Services, Fees and Compensation

Csenge Advisory Group, LLC (“CAG”, we, us, our, ours) is a limited liability company organized under Florida state law. John L. Csenge founded the Clearwater-based investment advisory firm in 2000 and is the principal owner. The firm is registered as an investment adviser with the SEC. We offer the following programs under a wrap fee arrangement.

We also offer investment advisory services through a network of independent advisory representatives who are authorized to conduct business under their own business names or under the CAG name.

## Advisory Services

### *Asset Management Program*

Certain of our advisory representatives directly manage client portfolios. Assets are allocated within a mix of securities that may include:

- equities,
- bonds,
- options,
- mutual funds and
- exchange traded funds.

We also maintain several asset allocation models consisting primarily of mutual funds and exchange traded funds (“ETFs”) including but not limited to:

- Growth & Income,
- Core & Explore,  
and
- Sector Select

However, your portfolio may be managed independently of these models.

We work with you to identify your investment goals, objectives, restrictions, and risk tolerance to determine what is most suitable for you. From there, we customize your portfolio to create an initial allocation designed to complement your financial situation and personal circumstances.

## *Assets Under Management*

As of December 31, 2022, we have \$2,265,052,044 assets under management. We manage \$1,656,350,229 in client assets on a discretionary basis. In addition, \$609,701,815 in client assets are managed on a non-discretionary basis.

## *Analysis, Recommendation and Monitoring of Third-Party Managed Programs*

We will assist you in determining your investment objectives and goals, investment time horizon, and risk tolerance to help you select a suitable third-party manager. Generally, you will authorize the third-party manager to exercise the discretionary authority to determine the securities to be purchased and sold. We will monitor your account and the third-party manager, as well as facilitate communications between you and the manager. We will provide you with a copy of the disclosure brochures of any third party we recommend to manage your accounts. This information will include a complete description of any relevant services and fees.

## **Fees and Compensation**

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians ("custodian/broker-dealer"). Your custodian/broker-dealer determines the values of the assets in your portfolio.

We offer our services on a fee-only basis. You must authorize us in writing to have the custodian/broker-dealer pay us directly by charging your account. If the Account does not contain sufficient funds to pay advisory fees, we have the limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to us, except for ERISA and IRA accounts.

Fees for the initial quarter are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect. Thereafter, our fee is calculated based upon the market value of the assets in your account at the beginning of each calendar quarter as determined by the custodian/broker-dealer.

One-fourth of the annual fee is charged each calendar quarter. Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

CAG Fee Schedule	
<b><u>Advisory Service</u></b>	<b><u>Maximum Annual Fee<sup>a</sup></u></b>
Asset Management Program	2.35%
Third-Party Managed Programs	varies <sup>b</sup>

<sup>a</sup> We may change the above fee schedule upon 30-days prior written notice to you. Fees are negotiable at our sole discretion.

<sup>b</sup> We act as a solicitor for the third-party manager and share in a portion of the third-party manager's advisory fee. The fees charged by these managers include fees paid by them to CAG. The combination of advisory fees will not exceed 2.5%.

In addition to our wrap fee, you may be required to pay other charges such as:

- custodial fees,
- maintenance and termination fees for IRAs, certain retirement and qualified accounts;
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Should you terminate the advisory agreement we have entered into within five business days from the date the agreement is executed, you will receive a full refund of any fees paid less any reasonable expenses. However, you shall be responsible for any transactions executed prior to receipt of the written notice of cancellation.

The majority of our advisory fees must be paid in advance of receiving our services. Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

If you pay our advisory fees after receiving our services and either one of us terminates the advisory agreement we have entered into before the end of a billing period, any fees that we have earned are immediately due and payable. We will deliver a final billing statement for unbilled work upon receipt of your termination notice.

Some of our advisory representatives are also registered representatives and investment adviser representatives of Lion Street Financial, LLC ("Lion Street") a registered broker/dealer, member FINRA/SIPC, and registered investment adviser. If you choose to implement your financial plan through Lion Street, commissions may be earned by your advisory representative in addition to any fees paid for advisory services. In addition, where applicable, the advisory representative is entitled to a portion of the internal expense fees (such as 12b-1 fees) charged by mutual funds.

Some of our advisory representatives are also licensed with various insurance companies. Commissions may be earned by our advisory representatives if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors. Our advisory representatives may also recommend various asset management firms through their affiliation with Lion Street. If you establish an investment advisory relationship with one of these firms, our advisory representatives may share in the advisory fees you pay to these asset management firms.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

Your advisory representative may recommend our wrap program to you and, as a result of your participation in this program, will receive a portion of the fee charged by us. These payments may be made as long as you participate in the program and may be greater than other forms of compensation had you participated in other programs or paid separately for investment advice, brokerage and other services provided to you as part of a wrap fee program. As a result, our advisory representatives may have a financial incentive to recommend this program over other programs or services that may be available to you.

## **Account Requirements and Types of Clients**

There is no set minimum account balance to open an account. We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including:

- anticipated future earning capacity,
- anticipated future additional assets,
- account composition,
- related accounts, and/or family members

Third-party asset managers may set different minimums for participation in their programs.

We provide advisory services to charities, individuals, and high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations and business entities including their pension and profit-sharing plans.

## **Portfolio Manager Selection and Evaluation**

The factors we consider when selecting third-party managers to recommend to clients include the manager's:

- management style,
- performance record,
- reputation,
- pricing, and
- reporting capabilities.

Third-party managers are evaluated using data and information from several sources, including the manager and independent databases. We also review the manager's Form ADV Part 2, as well as portfolio holdings reports that help demonstrate the manager's securities selection process. However, neither we nor a third party verifies the accuracy of performance information or compliance with performance standards.

In recommending a third- party manager to you, we consider your:

- financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and
- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

Your advisory representative may act as your portfolio manager. We do not evaluate these portfolio managers in the same manner that we evaluate TPIMs as described above. You decide whether you want your advisory representative to manage your assets directly or whether your assets are managed by a third party. We do supervise your advisory representative as described in the brochure supplement we have provided to you.

## **Other Advisory Business**

In addition to the wrap fee programs described above under “Services, Fees, and Compensation”, we offer additional advisory services as follows:

### *Asset Allocation Service*

We provide asset allocation advice to clients who want assistance with allocating their 401(k)s, other company retirement accounts or have accounts at broker-dealers or account custodians that do not have business arrangements with us. Based on the information gathered from you, we will provide you with a written asset allocation recommendation. These recommendations will be limited to those securities available in your account, but may be based on our model portfolios described above.

The frequency of the advice depends on your ability to provide us with current and accurate account information. Asset Allocation does not include execution services. Implementation of the advice is solely your responsibility. Partial implementation or delays in implementing the advice may impact the performance of your account.

### *Financial Planning Services*

We offer financial, estate, tax, and retirement planning services. We gather required information through personal interviews. Information gathered includes your current financial



status, future goals and attitudes towards risk. Related documents that you supply are carefully reviewed, including a questionnaire that you complete. A written report is then prepared. We will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward your financial goals.

In preparing your financial plan, certain assumptions may be made with respect to interest and inflation rates in conjunction with past trends in financial markets and the economy. However, past performance is not indicative of future returns. We cannot ensure that your financial goals and objectives will be met.

Should you choose to implement the recommendations contained in the plan, we suggest that you work closely with your attorney, accountant, insurance agent, and/or stockbroker. Some implementation services are available through us and our affiliates. Should you implement the plan through our advisory representatives, commissions or other compensation may be received by them in addition to the advisory fee paid to CAG. You, however, are under no obligation to utilize us or our advisory representatives for implementation of financial planning recommendations. All such decisions are entirely at your discretion.

You can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We offer three levels of advisory services and consulting:

- Level One – Basic Needs Analysis
  - Retirement/Cash Flow Needs
  - Survivor Needs
  - Educational Needs
- Level Two – Investment Analysis
  - Investment Risk Profile
  - Asset Allocation
  - Investment Policy Statement
- Level Three – Standard Arrangement
  - Level One plus
  - Level Two financial planning services.

You must continue to review and update your plan based upon changes in your financial situation, goals, or objectives. Should your financial situation or investment goals or objectives change, you must notify us promptly of the changes.

## *Corporate Investment and Retirement Plan Consulting Services*

We provide retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor in meeting their management and fiduciary obligations to the plan under ERISA.

Retirement consulting services consist of general or specific advice, and may include any one or all of the following:

- Platform provider search and plan set-up,
- Strategic planning and investment policy development or review,
- Plan review,
- Plan fee and cost review,
- Acting as third- party service provider liaison,
- Assessment of plan investments and investment options,
- Creation of asset allocation models,
- Plan participant education and communication,
- Investment advice to participants,
- Plan benchmarking and performance reporting,
- Provide ongoing monitoring of investment vehicles,
- Plan conversion to new vendor platform,
- Assistance in plan merger,
- Legislative and regulatory updates, and
- Plan corrections.

## **Individualized Service**

Our advisory services are tailored to your needs. We consider your:

- financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and
- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

## Management of Wrap Accounts

Generally, our advisory services are offered on a wrap fee basis. The fee you pay to us covers our advisory fee and most brokerage commissions and other trading costs as described under “Fees and Compensation”. Although we have made an occasional exception, we do not typically manage accounts on a non-wrapped basis. We do not manage wrapped and non-wrapped accounts differently.

## Performance-Based Fees

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

## Methods of Analysis, Investment Strategies and Risk of Loss

CAG conducts fundamental and technical analysis. Fundamental analysis generally involves assessing a company’s or security’s value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security’s price, trading volume, and other market-related factors in an attempt to discern patterns.

A rigorous relative strength methodology is used for the dual aim of reducing portfolio volatility while seeking to enhance total return. This includes a top-down 4-step process of market analysis, sector analysis, manager or product analysis and risk management. This can help with more consistent returns and thereby create a better environment for systematic withdrawal needs.

CAG primarily uses mutual funds and ETFs. The consideration of mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and the fund straying from its objective. Open ended mutual funds do not typically have a liquidity issue and are priced at the end of the trading day. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to you following any purchase of a mutual fund that is new to your account. In addition, a prospectus is available online at each mutual fund company's web site. At your request at any time, we will direct you to the appropriate web page to access the prospectus.

ETFs trade on a market exchange. Therefore, there is inter-day price fluctuation. Also, since many ETFs mirror a market index, such as the S&P 500, they won't outperform the index.

Our investment strategies may include long-term and short-term purchases. Frequent trading can affect investment performance through increased taxes. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions),
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

## **Voting Client Securities**

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

## **Client Information Provided to Portfolio Managers**

We work with you to identify your investment goals and objectives, as well as risk tolerance, in order to provide you with an initial portfolio allocation designed to complement your financial situation and personal circumstances. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio. We obtain this information from you initially, annually, and as you inform us of any changes.

If you have chosen a third party to manage your assets, relevant information is passed on as necessary.

We recognize the importance of protecting the personal information you provide. We protect your information in accordance with our Privacy statement which has been provided to you.

## **Client Contact with Portfolio Managers**

You have ready access to your advisory representative if you have chosen them as your portfolio manager. If you have selected a third- party manager to manage your assets, your advisory representative can schedule a meeting with your portfolio manager. Portfolio managers are not required to be available for unscheduled or unannounced visits or calls by clients. However, portfolio managers are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

## **Additional Information**

### **Disciplinary Information**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

As explained under “Fees and Compensation” above, your advisory representative may be licensed as a registered representative through Lion Street Financial. Your advisory representative may also be licensed as an insurance agent with various insurance carriers.

These arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation your advisory representative can receive rather than based upon your investment needs. As previously noted, we will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

As previously described, we are a party to written agreements with certain third-party investment managers under which we may provide personal advisory services to you. Such personal advisory services include: qualifying you for a particular third party asset manager’s investment program as well as determining your goals and objectives (determining risk tolerance and investment styles). In doing so, we may be acting as a solicitor for that third-party manager. We receive compensation for these advisory services in accordance with the agreements. This compensation is typically equal to a percentage of the investment advisory fee charged by the third-party managers.

Because such compensation may differ depending on the individual agreement with each third-party managers, we may have an incentive to recommend a particular third-party managers

over other third-party managers with which we have a less favorable compensation arrangement or alternative advisory program. To address this potential conflict, we consider the following factors in the selection of third-party managers which include, but may not be limited to:

- the management style, performance, reputation, pricing and reporting capabilities of the third- party investment adviser;
- your risk tolerance, goals and objectives, as well as investment experience;
- the amount of assets you have available for investment; and
- our familiarity and preference for a particular adviser.

Any solicitation or referral arrangements will comply with applicable laws that govern the nature of the service, fees to be paid, disclosures to clients and any necessary client consents. You are under no obligation to follow our recommendations.

In addition, we benefit financially from the rollover of a client's assets from a retirement account to an account managed by the firm. This is a primary conflict of interest because when our firm provides investment advice, the assets increase the firm assets under management and, in turn, advisory and /or wrap fees. To meet our fiduciary responsibility we recommend a rollover when it is deemed in the client's best interest.

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

We have adopted a Code of Ethics ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their

personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## **Review of Accounts**

All account reviews are performed by advisory representatives of CAG. We regularly monitor your account, as well as general conditions in the financial markets, and recommend changes or opportunities when we believe it is appropriate to do so. We strongly encourage you to notify us of any material changes in your overall financial condition, investment objectives or risk tolerance as these could have a material effect on the recommendations we make to you.

Your advisory representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

You will be invited to participate in at least an annual review as agreed by you and your advisory representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. We will provide you with a written consolidated report of your managed account. Participants in discretionary wrap accounts will have the option to have individual trade confirmations suppressed.

## ***Planning Services***

This service does not include periodic reviews. We do recommend you have at least an annual review to determine whether any update to your plan is needed. However, the time and frequency of the reviews is solely your decision. Other than the initial written plan or analysis, there will be no other reports issued.

## *Retirement Plan Consulting Services*

We will provide you with a written periodic review of fund expenses, investment performance, and style drift; comparing them with other funds in the same asset category. We will also provide suggestions as we deem appropriate for the replacement or addition of mutual funds for plan sponsors to make available to plan participants.

## **Client Referrals and Other Compensation**

In some instances, we directly or indirectly compensate third parties who are not one of our advisory representatives or employees for client referrals. As noted previously, we receive compensation by referring you to third party asset managers. In addition to advisory fees, we may receive other economic benefits as a result of our relationship with third party asset managers. These benefits may include receiving discounted pricing for practice management and marketing related tools and/or receiving reimbursement for practice management and marketing expenses. We may also enter into marketing arrangements with third party asset managers whereby we would receive compensation and/or allowances based either upon: a percentage of the value of new or existing account assets of clients referred to the third- party manager; or a flat dollar amount.

This creates a conflict of interest because we have an incentive to recommend those third- party asset managers based on the compensation we receive rather than what's in your best interest. We address this conflict by disclosing it to you. Additionally, as fiduciaries, we place your interests above our own in determining whether a referral to a third- party asset manager is appropriate for you. You are under no obligation to use the services of any third- party asset managers we recommend.

We may recommend that your broker-dealer/ custodian be Charles Schwab & Co., Inc. ("Schwab"), Pershing, LLC ("Pershing"), Asset Mark, Lion Street, SEI, Fidelity Brokerage Services LLC, Betterment, or others.

We receive certain economic benefits as a result of our participation in the institutional brokerage programs of Schwab and Pershing. These benefits include products and services that assist us in managing and administering client accounts, including access to investments generally available to institutional investors, software, technology, and research. We are not affiliated with the custodians we recommend. We do not enter into soft dollar arrangements with any custodian.

## **Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.