

# NPPG Plan Professionals, LLC

CRD Number: 324646

## **ADV Part 2A, Brochure**

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This Brochure provides information about the qualifications and business practices of NPPG Plan Professionals, LLC. If you have any questions about the contents of this Brochure, please contact us at (732) 758-1577 or [gwoods@nppg.com](mailto:gwoods@nppg.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 NPPG Plan Professionals, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to NPPG Plan Professionals, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2           Material Changes**

This is the initial Disclosure Brochure filing for NPPG Plan Professionals, LLC.

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## **Item 4            Advisory Business**

- A. NPPG Plan Professionals, LLC (“NPPG,” “we,” or “us”) is a limited liability company formed in January, 2021 in the State of New Jersey. Michael M. Salerno is the President and Managing Member. NPPG is wholly owned by NPPG Holdings, LLC, which is ultimately controlled by Mr. Salerno. NPPG is registered as an investment adviser with the United States Securities and Exchange Commission.

### **B. PORTFOLIO MANAGEMENT SERVICES**

We can be engaged to provide discretionary and/or non-discretionary portfolio management services in accordance with your investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. In limited circumstances, and at our sole discretion, we may allow clients to impose restrictions on the investments made for their account.

We may also manage advisory accounts on a non-discretionary basis, meaning specific client consent must be granted prior to each transaction. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

You may make additions to and withdrawals from your account at any time. You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures as well as any third party vendor restrictions. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

This service is offered both to individual investors and families, as well as pooled retirement plans like pension or cash balance plans. NPPG provides this service to ERISA-qualified retirement plans in its capacity as a “fiduciary” as defined under ERISA Section 3(21) and, when engaged on a discretionary basis, as an “investment manager” as defined under ERISA Section 3(38).

### **PENSION CONSULTING SERVICES – Non-NPPG-Sponsored Plans**

NPPG may be engaged by ERISA-qualified retirement plans to assist with the discretionary or non-discretionary selection and/or monitoring of investment options (generally open-end mutual funds) from which plan participants may choose in self-directing the investments for their individual plan accounts. NPPG provides this service in its capacity as a “fiduciary” as defined under ERISA Section 3(21) and, when engaged on a discretionary basis, as an “investment manager” as defined under ERISA Section 3(38).

NPPG may also retain a qualified investment fiduciary or directly create discretionary asset allocation models, from which plan participants may choose in managing their individual retirement accounts. The composition of asset allocation models are not restricted to the investment options made available directly to plan participants. The

composition and allocation of model assets may be managed by NPPG on a discretionary basis in its capacity as an ERISA 3(38) investment manager.

NPPG also offers a comparable suite of services to non-ERISA and non-qualified retirement plans.

### **PENSION CONSULTING SERVICES – NPPG-Sponsored Pooled Employer Plans**

NPPG is a Pooled Plan Provider (“PPP”) under the Setting Every Community Up for Retirement Enhancement Act (the “SECURE Act”). In this role, NPPG serves as the named plan fiduciary for pooled employer plans (“PEPs”). Conducting the pension consulting services described herein may be a requirement of NPPG in performing its duties and responsibilities as the PPP.

Employers who participate in an NPPG-sponsored PEP will engage NPPG to assist with the discretionary or non-discretionary selection and/or monitoring of investment options (generally open-end mutual funds) from which plan participants may choose in self-directing the investments for their individual plan retirement accounts. NPPG provides this service in its capacity as a “fiduciary” as defined under ERISA Section 3(21) and as PPP under the SECURE Act.

NPPG may also retain a qualified investment fiduciary or directly create discretionary asset allocation models, from which plan participants may choose in managing their individual retirement accounts. The composition of asset allocation models are not restricted to the investment options made available directly to plan participants. The composition and allocation of model assets may be managed by NPPG on a discretionary basis in its capacity as PPP under the SECURE Act.

### **SELECTION OF OTHER ADVISERS**

As part of our investment advisory services, we may also recommend third-party advisers (“TPA”) to you for investment advisory services. The TPA may be retained to manage a portion of, or your entire portfolio. In doing so, our primary objective is to align you with the appropriate TPA(s) to allow you to capitalize on opportunities with the goal of strengthening or enhancing your portfolio. Under such arrangements, we will monitor the TPA’s performance to ensure that it remains aligned with your stated investment goals and objectives.

Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPA’s performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives.

We do not charge you a separate fee for the selection of other advisers. We may share in the advisory fee you pay directly to the TPA. The advisory fee you pay to the TPA is established and payable in accordance with the brochure provided by each TPA retained or recommended by NPPG. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPA. As such, a conflict of interest may arise, as we have an incentive to recommend one TPA over another TPA based on one TPA offering more favorable compensation arrangements.

If NPPG retains a TPA(s) or you are referred to a TPA(s), you will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of a copy of the relevant TPA's Form ADV Part 2 or equivalent disclosure document. Either our firm or the TPA will provide you with all appropriate disclosure statements, including disclosure of any solicitation fees we may receive.

You may be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

### **MISCELLANEOUS**

**Client Obligations.** In performing its services, NPPG shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the client's responsibility to promptly notify NPPG if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising NPPG's previous recommendations and/or services.

**Periods of Account Inactivity.** NPPG has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, NPPG will review a client's investment lineup and or account (as applicable) on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the plan's or client's investment objective. Based upon these factors, there may be extended periods of time when NPPG determines that changes are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during such periods. Of course, as indicated below, there can be no assurance that decisions and/or recommendations made by NPPG will be profitable or equal any specific performance level(s).

**ERISA / IRC Fiduciary Acknowledgment.** When NPPG provides investment advice to a client regarding the client's retirement plan and/or retirement plan account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The way NPPG makes money creates some conflicts with client interests, so NPPG operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's.

Under this special rule's provisions, NPPG must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its financial interests ahead of the client's when making recommendations (give loyal advice);

- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that NPPG gives advice that is in the client's best interest;
- Charge no more than is reasonable for NPPG's services; and
- Give the client basic information about conflicts of interest.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by NPPG) will be profitable or equal any specific performance level(s).

- C. NPPG provides advisory services specific to the needs of each client. Prior to providing advisory services, an investment adviser representative will consult with the client to determine their needs, goals, and objectives. Thereafter, NPPG's advisory services will be provided in a manner consistent with those identified needs, goals, and objectives. The client may, at anytime, impose reasonable restrictions, in writing, on NPPG's advisory services.
- D. NPPG does not participate in a wrap fee program. For these purposes, a "wrap fee program" is considered to be an investment program where the client is charged a single, bundled, or "wrap" fee for investment advice, brokerage services (such as commissions and other transaction fees), administrative expenses, and other fees and expenses.
- E. As of July 14, 2023, NPPG acts as a pension consultant with respect to approximately \$2,340,574,649 in retirement plan assets.

## Item 5 Fees and Compensation

### A. PORTFOLIO MANAGEMENT SERVICES

Our maximum asset-based fee schedule for portfolio management services is provided below:

<u>Total Assets Under Management</u>	<u>Annual Fee</u>
\$1 – \$25,000,000	up to 2.00%
Above \$25,000,000	up to 1.50%

The fee is based on a percentage of assets under management and is negotiable based on a variety of factors, including the size, qualified vs. non-qualified, asset composition, and complexity of the client account. As a result, similarly-situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. The fees and terms of payment will be clearly set forth in the executed agreement for services.

Our annual portfolio management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the billing quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar

quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

Portfolio management services are also offered on a fixed fee basis. In such cases, we will negotiate our fee with you based on the amount of assets to be managed, styled management, liability, our expertise and number of hours required to provide the requested service. The fee for individuals may range from \$5,000 to \$100,000 per annum and corporations could be in excess of \$100,000. Fixed fees are payable upon receipt of our invoice. The negotiated fee will be agreed upon in the Investment Advisory Agreement with the client.

#### **PENSION CONSULTING SERVICES**

Our pension consulting services (for both non-NPPG-sponsored plans and NPPG-sponsored PEPs) are offered on an asset-based, fixed, per-participant, and / or hourly fee basis, as agreed upon with the client. All such fees are negotiable based on a variety of criteria, which can include the size of the plan, the complexity of the overall engagement, frequency of plan and participant meetings, and the agreed upon scope of services. As a result, similarly-situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Pension consulting fees are payable in arrears. Fees will generally be assessed on a quarterly or monthly basis, as agreed upon with the client and subject to the capabilities of the plan's recordkeeper. For asset-based fee arrangements, fees will generally be calculated based upon the value of plan assets on the last day of the billing period unless otherwise stated in the service agreement.

#### **SELECTION OF OTHER ADVISERS**

We may recommend or retain TPAs for investment advisory services. We do not charge you a separate fee for the selection of other advisers. We may share in the advisory fee you pay directly to the TPA. The advisory fee you pay to the TPA is established and payable in accordance with the brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable.

Our compensation may differ depending upon the individual agreement we have with each TPA. We may receive up to 25% of the fee that is paid to the TPA. As such, a conflict of interest may arise where we may have an incentive to recommend one TPA over another TPA with whom we have more favorable compensation arrangements or other advisory programs offered by TPAs with whom we have less or no compensation arrangements.

If you are referred to a TPA(s), you will receive full disclosure of the services rendered and fee schedules applicable to the TPA at the time of the referral by delivery of a copy of the relevant TPA's Form ADV Part 2 or equivalent disclosure document. Either our firm or the TPA will provide you with all appropriate disclosure statements, including disclosure of any solicitation fees we may receive.

- B. Asset-based fees for portfolio management services are assessed in arrears, based upon the market value of the assets on the last business day of the billing period. Unless

otherwise agreed upon with the client, asset-based fees for pension consulting services are generally assessed on a monthly or quarterly basis, in arrears, and are typically based on the value of plan assets on the last day of the billing period.

Clients may elect to have NPPG's advisory fees deducted from their account(s). Both NPPG's services agreement with the client or the client's custodial/clearing agreement may authorize the custodian to debit the account for the amount of NPPG's fee and to directly remit that fee to NPPG in compliance with regulatory procedures.

In limited instances, NPPG may bill the client directly, in which cases payment is due promptly upon receipt of NPPG's invoice.

- C. Broker-dealers generally charge brokerage commissions and/or transaction fees to plan participants for effecting certain securities transactions. These charges are assessed in accordance with the respective broker-dealer's brokerage commission and transaction fee schedules and may be assessed on either a per-transaction basis or as a percentage of plan assets. In addition to NPPG's fee and any applicable brokerage commissions and/or transaction fees, clients and plan participants may also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- D. Fixed and hourly fee clients may be asked to pay up to fifty percent (50%) of the total anticipated fee at the outset of the client engagement. The remaining fee will become due upon completion of the agreed upon services. However, in no event will NPPG require or solicit prepayment of \$1,200 or more in fees, six months or more in advance. If an engagement is terminated prior to the completion of NPPG's services, a refund of prepaid fees will be provided, prorated based upon the amount of work completed through the effective date of termination at NPPG and/or the applicable NPPG representative's then-current hourly rate.

Client engagements for ongoing services will continue until terminated by either party, in accordance with the termination provision of the client's services agreement. If an asset-based fee engagement is terminated, and the effective date of termination is in the middle of a fee period, NPPG will generally assess a final fee, prorated through the effective date of termination. If NPPG is unable to debit this final fee from the client account(s), it will invoice the client directly and payment is due promptly upon receipt of such invoice. NPPG reserves the right to waive this final prorated fee, at its sole discretion.

- E. Neither NPPG, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither NPPG, nor any supervised person of NPPG, accepts performance-based fees for services NPPG provides to its clients.



However, Mr. Salerno may be eligible to receive a performance-based fee from investments managed by Cypress Property Holdings (“Cypress”), an NPPG affiliate (see Item 10 below). Generally, fees are assessed at 1.5% of investment assets, with a twenty percent (20%) incentive fee, subject to a high-water mark. Performance-based fee arrangements are only offered to qualified clients. Specific details describing management and incentive fees are more fully described in investment offering documents.

Our performance fees are charged in accordance with the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended. Specifically:

- In measuring assets for the calculation of performance-based fees, Cypress includes realized and unrealized capital gains and losses.
- Cypress have procedures designed and implemented to ensure that all investors subject to any performance or incentive fee arrangements are treated fairly and equally.
- Upon the redemption or withdrawal of an investor’s interest, the pro-rata portion of the performance allocation or fee allocation is charged at the next instance a performance fee is assessed.
- Investments are subject to an annual audit conducted by a qualified, PCAOB member, independent auditor.

The performance-based compensation that may be received by Mr. Salerno for these investments creates a conflict because the asset- and performance-based fees to be received for Cypress investments may cumulatively exceed those fees NPPG receives for Portfolio Management services. As a result, there is an incentive to recommend that an advisory client place investment funds with Cypress. In addition, performance-based compensation may create an incentive for NPPG or Mr. Salerno to recommend an investment that may carry a higher degree of risk to the investor.

NPPG and Mr. Salerno seek to address this conflict by not assessing NPPG’s investment advisory fees on client Cypress positions and strictly adhering to compliance policies and procedures regarding their duties to place the interests of clients first. Accordingly, NPPG and Mr. Salerno only provide advice with respect to Cypress when considered in the client’s best interest, notwithstanding NPPG’s or Mr. Salerno’s own interests.

## **Item 7           Types of Clients**

NPPG offers investment advisory services to individuals, retirement plans and their participants, trusts, estates, charitable organizations, corporations, and other business entities. In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size of \$25,000 which, in our sole opinion, is too small to effectively manage.

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

- A. Investing in securities involves risk of loss that you should be prepared to bear. Clients have varying degrees of risk tolerance and should understand the potential risk of loss before investing. There is no guarantee that our advisory services offered will result in your goals and objectives being met. Nor is there any guarantee of profit or protection from loss. Past performance is in no way a guarantee of future performance.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you: fundamental, technical, qualitative, quantitative, cyclical and charting analysis, as well as third party research which may be provided by investment banks, mutual fund companies and brokerages. We may also review corporate filings and company audited financial statements.

- B. Fundamental analysis includes the review of a company's fundamentals including financial statements, the company's general financial health and/or the analysis of company's management or competitive advantages. The risk of this analysis is the company's financial health could change for better or worse, operations may improve or decline and management expectations being met or not.

Technical analysis includes the review of past market data, price and volume to forecast the direction of the security. This risk of this analysis is the market trend could change from the time of the analysis as well as results being open for interpretation.

Qualitative analysis includes a subjective review of management expertise, industry cycles, strength of research and development, and labor relations. This risk of this analysis is its subjective based on interpretation of company management and other non-mathematical factors. Quantitative analysis includes complex mathematical and statistical modeling, measurement and research to determine performance evaluation or valuation of a financial instrument. The risk of this analysis is based only on mathematical evaluation and may not encompass other factors that could affect the value of the security.

Cyclical analysis includes the analysis of business cycles to determine favorable conditions for buying and/or selling a security. This risk of this analysis is the securities cycle may or may not repeat to provide an opportune time to buy and/or sell.

Charting analysis includes applying mathematical equations on price and volume information of a particular to plot the results data onto graphs in order to predict future price movements. The risk of this analysis is there are many chart methods to consider for reviewing past performance which is not a guarantee of future performance of a security.

The analysis methods above are used to develop an overall investment strategy. No one method is relied upon exclusively for an investment strategy.

Our investment strategies and advice may vary depending upon each client's specific financial situation and tolerance for risk. With that, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors.

As with any investment of your assets, it is important to understand the tax implications. We recommend that you consult with a tax professional prior to and throughout the investing of your assets.

- C. As disclosed under the Advisory Business section above, we recommend 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 tolerances for risk. Notwithstanding the foregoing, below is a description of material risks applicable to various common investment vehicles that may be used or recommended by NPPG.

Investors in individual equity and fixed income vehicles may face, without limitation, the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

In addition to the general investment risks described above, different product types can produce unique risks, which are described in more detail below.

**Mutual Fund Risks**

Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs of managing the funds. In addition, management style drifts over time means that a mutual fund may occasionally deviate from its stated investment mandate. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. Investors should carefully assess their tolerance for risk before they decide which fund is suitable for their account.

**ETF Risks**

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

**Cyber Security Risks**

As the use of technology has become more prevalent in the ordinary course of business, client accounts have become potentially more susceptible to operational and other risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This, in turn, could cause an account and/or the firm to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measure, and/or financial loss. Cyber security breaches may involve unauthorized access to the digital information systems that support an account (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of issuers and third-party service providers (e.g., administrators, transfer agents, custodians and sub-advisers) can subject an account and/or the firm to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Firm has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially because the Firm does not directly control the cyber security systems of issuers or third-party service providers.

**Item 9                      Disciplinary Information**

Neither NPPG nor its management persons has been the subject of any reportable disciplinary actions.

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

- A. Neither NPPG, nor its representatives, is registered or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither NPPG, nor its representatives, is registered or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

### **C. NPPG Family of Companies**

The following affiliated service providers are owned and controlled by Michael M. Salerno:

- National Professional Planning Group: Third-Party Administrator for retirement plan compliance and administration
- NPPG Employee Benefits: Group insurance broker
- NPPG Fiduciary Services: Provider of administrative fiduciary services for retirement plans and plan sponsors
- NPPG Investment Services: State-registered investment adviser
- Pinnacle Financial Services: Third-Party Administrator for retirement plan compliance and administration
- NPPG Recordkeeping Solutions: Retirement plan recordkeeper
- Arbor Title Services: Real estate title insurance brokerage
- Cypress Property Holdings: General Partner of investment holding company

The retention or recommendation of the above-referenced affiliates presents a conflict of interest, as NPPG is incentivized to recommend their respective services based on the receipt of compensation by NPPG affiliates, rather than a client's best interest. NPPG will only retain or recommend the services of its affiliate if NPPG reasonably believes that doing so would be in the client's best interest, notwithstanding NPPG's own interests.

- D. We may recommend that you use a TPA based on your needs and suitability. We may receive compensation from the TPA for recommending that you use their services. Our compensation may differ depending upon the individual agreement we have with each TPA. We may receive up to 25% of the fee that is paid to the TPA. As such, a conflict of interest may arise where we may have an incentive to recommend one TPA over another TPA with whom we have more favorable compensation arrangements or other advisory programs offered by TPAs with whom we have less or no compensation arrangements.

If you are referred to a TPA(s), you will receive full disclosure of the services rendered and fee schedules applicable to the TPA at the time of the referral by delivery of a copy of the relevant TPA's Form ADV Part 2 or equivalent disclosure document. Either our firm or the TPA will provide you with all appropriate disclosure statements, including disclosure of any solicitation fees we may receive.

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

- A. NPPG maintains an investment policy relative to personal securities transactions. This investment policy is part of NPPG's overall Code of Ethics, which serves to establish a standard of business conduct for all of NPPG's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, NPPG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by NPPG or any person associated with NPPG.

- B. Neither NPPG, nor any related person of NPPG, recommends, buys, or sells for client accounts, securities in which NPPG or any related person of NPPG has a material financial interest.
- C. NPPG and/or representatives of NPPG may buy or sell securities that are also recommended to clients. This practice may create a situation where NPPG and/or representatives of NPPG are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if NPPG did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of NPPG's clients) and other potentially abusive practices.

NPPG has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of NPPG's "Access Persons". NPPG's securities transaction policy requires that an Access Person of NPPG must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date NPPG selects; provided, however that at any time that NPPG has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. NPPG and/or representatives of NPPG may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where NPPG and/or representatives of NPPG are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, NPPG has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of NPPG's Access Persons.

## **Item 12            Brokerage Practices**

- A. NPPG considers a full range of brokerage (custodian) services to determine what should be the best transaction for our client. In our recommending of such services we consider such factors as the brokerage (custodian) financial strength, reputation, execution, pricing, research and service. Clients are advised that there may be transaction charges involved when purchasing or selling securities. There is no requirement to use a broker that we may recommend.

Although the commissions and/or transaction fees paid by NPPG's clients shall comply with NPPG's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where NPPG determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although NPPG seeks competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, NPPG's fee.

### **1. Research and Soft-Dollar Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular vendor including but not limited to recordkeepers and broker-dealers/custodians, NPPG can receive from recommended recordkeepers or broker-dealers/custodians without cost (and/or at a discount) support services and/or products, certain of which assist NPPG to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by NPPG can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by NPPG in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist NPPG in managing and administering client accounts. Others do not directly provide such assistance, but rather assist NPPG to manage and further develop its business enterprise.

NPPG's clients do not pay more for investment transactions effected and/or assets maintained at the client's broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by NPPG to any broker-dealer/custodian to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

We may also receive research, products and/or other services without cost and/or discount to us from brokerages and/or another third-party in connection with client security transactions. These are referred to as “soft-dollar benefits.” In the past year, we have used soft dollars generated by client transactions to acquire brokerage and research services including research, statistical and quotation services, data, information and other services, products and materials that assist in the performance of our investment responsibilities.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We therefore 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 the client’s interest in receiving most favorable execution. Clients may expect to pay higher commissions on selected institutions from which we receive soft-dollar brokerage or research services; however, we employ best efforts to assess the reasonableness of commissions in relation to the value of brokerage and research services on an ongoing basis.

Accounts may differ with regard to whether and to what extent they pay for research and brokerage services through commissions. Soft dollar benefits may be used to service any or all client accounts, including accounts that did not pay commissions that provided the soft dollar benefit.

As a result, soft dollar benefits may disproportionately benefit some accounts relative to other accounts based on the relative amount of commissions paid by the accounts. For example, research that is paid for through one client’s commissions may not be used in managing that client’s account, but may be used in managing other NPPG-managed accounts.

2. Brokerage for Client Referrals

We do not participate in any custodian or brokerage client referral program.

3. Directed Brokerage

We do not require directed brokerage for client accounts. Client may direct the firm in writing to use a particular brokerage to execute client transactions. The client will be responsible for negotiating terms with the brokerage and the firm will not seek better transaction costs with other brokerages. The client may pay higher commissions, transactions fees, or spreads, and we may be unable to combine directed brokerage orders into block trades with other clients. Higher commissions adversely impact account performance. We may decline a client’s request to direct brokerage if in our sole discretion such activities would result in additional operational difficulties subject to our duty to seek best execution.

- B. To the extent that NPPG provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless NPPG decides to purchase or sell the same securities for several clients at approximately the same time. NPPG may (but is not obligated to) combine or “bunch” such orders into blocks to obtain best execution, to negotiate more favorable commission rates, or to allocate



equitably among NPPG's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. NPPG does not receive any additional compensation or remuneration as a result of such aggregation.

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 on any given day. 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.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

#### **Item 13            Review of Accounts**

- A. Account reviews are conducted on an ongoing basis by NPPG's Principal(s), Director(s), and or Investment Manager(s). All clients are advised that it remains their responsibility to advise NPPG of any changes in their investment objectives and/or financial situation.
- B. NPPG may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. NPPG may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12 above, NPPG may receive economic benefits for recommending third party vendors, including recordkeepers and broker-dealers/custodians, which economic benefits can include support services and/or products without cost or at a discount. NPPG may also receive soft-dollar benefits in connection with securities commissions and/or transaction fees generated through client trading activity. Our receipt of these benefits incentivizes us to recommend the services of, or to execute transaction through, the broker-dealer/custodian that provides us with such benefits. We attempt to mitigate this conflict of interest by adhering to our fiduciary duty to seek best execution, regardless of the nature or amount of benefits we may receive.

We may also recommend that you use a TPA based on your needs and suitability. We may receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third-party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

- B. Unless otherwise disclosed in advance, we do not provide direct or indirect compensation to anyone who is not a supervised person of our firm in exchange for client referrals.

## **Item 15            Custody**

NPPG has the ability to have its advisory fee for each client debited by the custodian or recordkeeper. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the recordkeeper, broker-dealer/custodian, and/or program sponsor for the client accounts. NPPG may also provide a written periodic report summarizing account activity and performance.

To the extent that NPPG provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by NPPG with the account statements received from the account custodian or recordkeeper. The account custodian or recordkeeper does not typically verify the accuracy of NPPG's advisory fee calculation.

## **Item 16            Investment Discretion**

NPPG may be engaged to provide its services on a discretionary basis through the client's services agreement. You may grant our firm discretion to select, monitor, and change the investment lineup for your plan and/or qualified default investment alternative; as well as over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your retirement plan or account(s).

## **Item 17            Voting Client Securities**

- A. NPPG does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their recordkeeper or custodian. Clients may contact NPPG to discuss any questions they may have with a particular solicitation.

**Item 18          Financial Information**

- A. NPPG does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. NPPG is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations relating to its discretionary authority over certain plan assets.
- C. NPPG has not been the subject of a bankruptcy petition.