

**Item 1: Cover Page for Part 2A of Form ADV  
Disclosure Brochure**

**Effective: December 15, 2023**

**PPS&V Asset Management Consultants, Inc.**

**2750 Old Centre Ave.  
Portage MI, 49024**

This brochure provides information about the qualifications and business practices of PPS&V Asset Management Consultants, Inc. ("PPS&V" or the "Advisor"). If you have any questions about the contents of this brochure, please contact Ryan Vliek at 269-321-4444 or [Ryan.Vliek@pps-v.com](mailto:Ryan.Vliek@pps-v.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 PPS&V also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110491.

PPS&V is a Registered Investment Adviser with the U.S. Securities and Exchange Commission as well as filed notice with the following states: Florida, Michigan and Texas. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment Advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about PPS&V to assist you in determining whether to retain the Advisor.

## **Item 2    Material Changes**

- PPS&V has not had any material changes since our last filing

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## **Item 4    Advisory Business**

### **A. Firm Information**

PPS&V is a SEC-registered investment adviser with its principal place of business located in Michigan. PPS&V began conducting business in 1991.

The firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company) is Robert Bruce Vliek, Partner.

### **B. Advisory Services Offered**

PPS&V offers investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations or other businesses not listed above (each referred to as a "Client").

PPS&V provides customized investment advisory solutions for its Clients. This is achieved through personal Client contact and interaction while providing discretionary investment management services. PPS&V works with each Client to identify their investment goals, objectives and risk tolerance in order to create a diversified portfolio allocation. PPS&V constructs portfolios consisting of exchange-traded funds ("ETF's"), mutual funds, individual stocks, real estate investment trusts (REIT's), certificates of deposit, United States Treasuries and money market instruments to seek to achieve the Clients investment goals.

At PPS&V, our investment philosophy is based on the belief that markets are efficient over the long-term, but can act inefficient or irrational over the shorter term. At the core of our investment management approach is an Asset Allocation strategy that seeks to capture broad market exposure in various asset classes. This approach is designed to provide Clients with a longer-term core solution which is aligned with our belief that markets are efficient and rational over longer periods of time.

### **C. Client Account Management**

Prior to engaging PPS&V to provide investment advisory services, each client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. PPS&V will ascertain, in conjunction with the Client, the Clients investment objective[s], risk tolerance and suitability.

PPS&V will construct, implement and monitor at least annually each Clients portfolio to seek to ensure it meets the goals, objectives and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor. PPS&V periodically rebalances or adjusts Client accounts under its management. If the Client experiences any significant changes to his/her financial or personal circumstances, the Client must notify the Advisor so that the Advisor can consider such information in managing the Clients investments.

PPS&V evaluates and selects investments for inclusion in Client portfolios only after

applying its due diligence process. PPS&V recommends, on occasion, reallocating investment allocations to diversify the portfolio. PPS&V can recommend to increase/decrease specific sector or asset class weightings. The Advisor recommends employing cash positions or short-term bonds as a possible hedge against market movement, which can adversely affect the portfolios performance. PPS&V recommends selling positions for reasons that include, but are not limited to: harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation/undervaluation or overweighting/underweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Clients risk tolerance.

#### **D. Wrap Fee Program**

PPS&V does not participate or sponsor any wrap fee programs.

#### **E. Assets Under Management**

As of December, 15, 2023, we were managing the following assets:

<b>Assets Under Management</b>	<b>Assets</b>
Discretionary Assets	\$184,356,778
Non-Discretionary Assets	\$4,757,880
Wrap Fee Programs Discretionary Assets	\$0
Total Assets	\$189,114,658

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

The following paragraphs detail the fee structure and compensation methodology for investment management services. Each Client is required to sign an Investment Advisory Agreement that details the responsibilities of PPS&V and the Client.

#### **A. Fees for Advisory Services**

Investment Advisory Fees are paid quarterly in advance pursuant to the terms of the Investment Advisory Agreement. The period commences with the effective date of the Investment Advisory Agreement and continues on a pro-rata basis through the end of the current quarter. Investment Advisory Fees are based on the market value, derived from the total assets under management at the end of each quarterly period. Investment Advisory Fees generally range from 0.50% to 1.0% of total assets unless otherwise negotiated and specified on Exhibit A of our Management Agreement.

Although PPS&V has established the aforementioned fees, we can negotiate fees on a client-by-client basis. The facts we take into account or whether to negotiate fees include the complexity of the Client, assets to be placed under management, anticipated future



additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the Advisor and each Client. We will group certain related household Client accounts for the purposes of achieving a lower annualized fee. Discounts can be offered to family members and friends of associated persons of our firm.

## **B. Fee Billing**

Investment advisory fees will be automatically deducted from the Client account by the Custodian unless otherwise directed in writing by the Client that they wish to pay fees as a remittance. The Advisor shall send an invoice to the Client indicating the amount of the fees to be deducted or remitted from the Client account at the respective billing date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with PPS&V at the end of each quarterly period. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting the deduction of the investment advisory fee. Clients provide written authorization permitting PPS&V to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms required by the Custodian.

## **C. Other Fees and Expenses**

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, including but not limited to, any transaction charges imposed by a custodian with which an independent investment manager effects transactions for the Clients account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. In addition, all fees paid to PPS&V for investment advisory services are separate and distinct from the expenses charged by mutual funds, exchange-traded funds and other pooled vehicles to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus or offering document. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by PPS&V to fully understand the total fees to be paid.

## **D. Advanced Payment of Fees and Termination**

PPS&V is compensated for its services in advance, pro rata, for the remaining days in the current quarter, in which investment advisory services are rendered. A client agreement can be canceled at any time, by either party, for any reason upon receipt of notice. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon the effective date of termination, the Advisor will refund, pro rata, any Advisory Fees from the effective date of termination to the end of the current quarterly payment period once a notice has been received. The Clients Investment Advisory Agreement with the Advisor cannot be assigned without Clients written approval.

## **E. Compensation for Sales of Other Investment Products**

PPS&V is not affiliated with any broker-dealers or mutual fund companies, and therefore we do not receive any compensation for the purchase or sale of securities or investment products used in client accounts.

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

PPS&V does not charge performance-based Fees.

## **Item 7 Types of Clients**

PPS&V offers investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations or other businesses not listed above.

PPS&V does not require a minimum account investment to enter into an Investment Advisory Agreement.

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

### **A. Methods of Analysis & Investment Strategies**

PPS&V employs the following methods of analysis in developing investment advice for its clients.

*Fundamental* - This type of analysis involves analyzing a company's financial statements, its management, competitors, markets and its competitive advantages. This type of analysis puts a focus on the overall state of the economy, interest rates, production, and earnings. We adhere to disciplined investment parameters and our portfolios can include investments in undervalued companies. We are not concerned with short-term fluctuations of market price and instead place more importance on a company's long-term value.

*Technical* - This involves an analysis of past market movements and does not consider the underlying financial condition of a particular company. Through technical analysis, we attempt to determine and recognize recurring patterns in investor behavior in relation to a particular company or market sector.

*Mutual Fund and/or ETF* - We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund, ETF or other pooled vehicle in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the Clients portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

*Asset Allocation Model* – Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of asset classes and sectors to achieve the Clients investment goals and risk tolerance. This involves diversifying Client assets into multiple asset classes and sectors. Once a set of asset classes has been defined, it is important to determine the exposures of each component of an investor's overall portfolio. Such

information can be aggregated to determine the investor's overall effective asset mix. If it does not conform to the desired mix, appropriate alterations can then be made.

PPS&V employs the following investment strategies in developing investment advice for its clients.

*Active vs Passive* - Passive strategies like buy and hold and passive indexing are often used to minimize transaction costs. Active strategies such as momentum trading are an attempt to outperform benchmark indexes.

*Buy and Hold* - This strategy involves buying company shares or funds and hold them for a long period. It is a long-term investment strategy, based on the concept that in the long run equity markets give a good rate of return despite periods of volatility or decline. This viewpoint also holds that market timing, that one can enter the market on the lows and sell on the highs, does not work or does not work for small investors, so it is better to simply buy and hold.

*Indexing* - Indexing is where an investor buys a small proportion of all the shares in a market index such as the S&P 500, or more likely, an index mutual fund or an exchange-traded fund (ETF). This can be either a passive strategy if held for long periods or an active strategy if the index is used to enter and exit the market quickly.

*Dividend Growth Investing* - This strategy involves investing in company shares according to the future dividends forecast to be paid. Companies that pay consistent and predictable dividends tend to have less volatile share prices. Well-established dividend-paying companies will aim to increase their dividend payment each year, and those who make an increase for 25 consecutive years are referred to as a dividend aristocrat. Investors who reinvest the dividends are able to benefit from compounding of their investment over the longer term.

PPS&V's Investment Management Committee oversee its Investment Strategies and Asset Allocations. The Committee meets on at least a quarterly basis to review current market conditions, as well as to review current and potential future allocations. The firm uses five different asset allocation strategies to construct the core of individual accounts for clients. These asset allocation strategies are referred to as Aggressive Growth, Growth, Moderate Growth, Conservative Growth and Conservative. At any time, the construction of these strategies can change, as determined by the Investment Management Committee. In general, the firm uses a blended approach to investing. The firm uses mostly low-cost mutual or index funds and Exchange Traded Funds to create its Asset Allocations.

As noted above, PPS&V generally employs a long-term investment strategy for its Clients, consistent with their financial goals and objectives. PPS&V will typically hold all or a portion of a security position for more than a year, but can hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. However, there is no guarantee that a Client will meet their investment goals.



## **B. Certain Risks Involved with Methods of Analysis and Investment Strategies**

Investing in securities involves risk of loss that Clients should be prepared to bear. While the stock market can increase and Clients' accounts could enjoy a gain, it is also possible that the stock market can decrease and Clients' accounts could suffer a loss. It is important that Clients understand that all investment activities involve a degree of risks, including the possible risk of loss of their entire investment, as well as the gains earned thereon. Some of these risks are briefly described below.

### *Certain Risks Involved with Methods of Analysis*

Fundamental Analysis is heavily based in fact. But if a company incorrectly reports data or you misinterpret them, you're going to have a false conclusion. Miscalculations are especially likely when making assumptions about things like a company's future growth rate, future interest rates, or profits.

Technical Analysis is a trading tool employed to evaluate securities and attempt to forecast their future movement by analyzing statistics gathered from trading activity, such as price movement and volume. The risks involved are that past performance does not guarantee future performance.

Mutual Fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client could purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager could deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the Clients portfolio.

Asset Allocation - A risk of asset allocation is that the Client would not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Clients goals.

### *Certain Risks Involved with Investment Strategies*

Active vs Passive - In looking at risk from an active management perspective, ineffective risk management becomes evident in the gap between investor expectations of performance relative to a benchmark and actual performance. An active manager might be happy to outperform an index by a margin, even if delivering negative returns to the investor.

A risk that passive investors need to overcome is the lack of breadth that comes from an investment strategy based on indices. An index-bound investor unnecessarily restricts their investment choices.

Buy and Hold – A risk of this strategy is the large opportunity cost attached to it. To buy and hold something means you are tied up in that asset for the long haul. Thus, a buy and holder must have the self-discipline to not chase after other investment opportunities during this holding period.

Indexing – A risk to indexing is that investors are involved with and supporting all the companies on that index. If an investor dislikes a company for moral or personal reasons but that company is on his index, he has no way of removing his money from that company without exiting the index fund entirely.

Dividend growth investing – A risk associated with dividend growth investing is an overall decline of the stock market. Another risk associated with this investment strategy is that the style temporarily going out of favor.

### **C. Risk Associated with Specific Type of Securities**

Equity Securities - The major risks associated with investing in equity securities relate to the company's capitalization, quality of the company's management, quality and cost of goods or services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company's ability to create shareholder value (e.g., increase the value of the company's stock price).

Exchange Traded Funds - ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold, they could be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

Equity Mutual Funds - The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, could be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors will pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

Fixed-Income Mutual Funds - In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also carry the following risks:

- Credit Risk – the risk that a company or bond issuer could fail to pay principal and interest payments in a timely manner.
- Interest Rate Risk – the risk that the market value of the bonds will go down when interest rates rise.
- Prepayment Risk – the risk that a bond will be paid off early.



United States Treasuries - Treasury securities are backed by the US government, so they're generally considered to be the highest credit quality. The interest you earn is subject to federal income taxes but not state or local income taxes. However, you may have to pay taxes on capital gains if you sell your bond before your maturity date.

Certificate of Deposits - Inflation risk is the greatest risk you face when you deposit funds into a certificate of deposit. Since the interest rate is fixed and because there is a penalty if you withdraw funds before maturity, inflation can invisibly erode your savings.

Money Market Instruments - Reinvestment risk is the risk of investing maturing funds at a lower interest rate and getting a lower yield than on the maturing investment.

Counterparty risk, is the risk that the counterparty or issuer of the debt will fail to fulfill its obligation to pay back the borrowed amount.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data can be incorrect, there is always a risk that our analysis will be compromised by inaccurate or misleading information.

## **Item 9 Disciplinary Information**

- A. Criminal or Civil Actions – There are no criminal or civil actions to report.
- B. Administrative Proceedings - There are no administrative proceedings to report.
- C. Self-regulatory Organizations (SRO) Proceedings – There are no SRO proceedings to report.

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

PPS&V and its management persons are not registered and do not have an application pending to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator and/or commodity trading advisor.

Clients are not obligated to use employees of PPS&V for insurance product purchases and can work with any insurance agent they choose.

### Management Persons

Ryan J. Vliek CCO is licensed as an individual producer through the State of Michigan to offer Life Insurance, Fixed and Fixed Indexed Annuities and will collect commissions through the sale of insurance products. Mr. Vliek is not appointed with any life insurance companies.

Robert B. Vliek is licensed as an individual producer through the State of Michigan to offer Life Insurance, Fixed and Fixed Indexed Annuities and will collect commissions through the sale of insurance products. Mr. Vliek is not appointed with any life insurance companies.

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

PPS&V has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

PPS&V and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

PPS&V's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information cannot be used in a personal or professional capacity.

Any client or a prospective client that wishes to receive a copy of our Code of Ethics, please contact us at (269) 321-4444 or via email at [ryan.vliek@pps-v.com](mailto:ryan.vliek@pps-v.com).

Our Code of Ethics is designed to certify that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of Advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm can buy or sell for their personal account's securities identical to or different from those recommended to our clients. In addition, any related person(s) can have an interest or position in a certain security (ies) which can also be recommended to a client.

It is the expressed policy of our firm that no person employed by us will purchase or sell any security prior to a transaction(s) being implemented for an Advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of Advisory accounts.

We will aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of



Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm will put his or her own interest above the interest of an Advisory client.
2. No principal or employee of our firm will buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us will purchase or sell any security prior to a transaction(s) being implemented for an Advisory account. This prevents such employees from benefiting from transactions placed on behalf of Advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this Advisory practice that has access to Advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment Advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions could be subject to termination.

## **Item 12 Brokerage Practices**

### ***A. Recommendation of Custodian[s]***

PPS&V does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

All Clients are serviced on a "directed brokerage basis" where PPS&V will place trades within the established accounts at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage accounts. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's accounts). PPS&V will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

**Charles Schwab & Co.**

PPS&V will recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the Clients decision to custody assets with Schwab. PPS&V is independently owned and operated and not affiliated with Schwab.

Schwab provides PPS&V with access to its institutional trading and custody services, which are separate from Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$100 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our Client accounts maintained in its custody, Schwab does not charge separately for custody services, but is compensated by account holders through mutual fund commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab and its affiliate Charles Schwab Bank also receive compensation as a result of cash awaiting investment in your account.

Schwab's products and services that assist us in managing and administering our Clients accounts include software and other technology that:

- (i) Provide access to Client account data (such as trade confirmations and account statements);
- (ii) Facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
- (iii) Provide research, pricing and other market data;
- (iv) Facilitate payment of our fees from Clients' accounts; and
- (v) Assist with back-office functions, recordkeeping and Client reporting.
- {vi} Dedicated service team to help with any questions or concerns on client accounts

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services include:

- (i) Compliance, legal and business consulting;
- (ii) Publications and conferences on practice management and business succession.

Schwab will make available, arrange and/or pay third-party vendors for the types of services rendered to PPS&V. Schwab Institutional will discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional can also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that Clients custody their assets at Schwab, we will take

into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which could create a potential conflict of interest.

### **Michigan Education Savings Program (MESP)**

PPS&V generally recommends MESP for any college education savings plans.

PPS&V acts as Investment Advisor to certain college education savings plans administered by the Michigan Department of Treasury and the Program Manager - TIAA-CREF Tuition Financing, Inc.

The Advisor will determine the appropriate mix of mutual funds to create an asset allocation for each client based on the Clients investment goals and objectives. The Advisor meets on at least an annual basis with the participants to review the overall account and the investment options. The Advisor will also recommend any changes to the investment options and provide one-on-one reviews with all clients. The Advisor does not charge an advisory fee on assets held with this custodian.

## **B. Aggregating and Allocating Trades**

PPS&V can aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation.

Block trading can allow us to execute equity trades in a timelier, more equitable manner, at an average share price. PPS&V block trading policy and procedures are as follows:

- 1) Transactions for any Client account will not be aggregated for execution if the practice is prohibited by or inconsistent with the Clients Investment Advisory Agreement with PPS&V, or our firm's order allocation policy.
- 2) The portfolio manager must reasonably believe that the order aggregation will benefit the Client, and will enable PPS&V to seek best execution for each Client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 3) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating Client accounts in accordance with the initial order ticket. However, adjustments to this pro rata allocation will be made to participating Client accounts in accordance with the initial order ticket or other written statement of allocation.



Furthermore, adjustments to this pro rata allocation will be made to avoid having odd amounts of shares held in any Client account, or to avoid excessive ticket charges in smaller accounts.

4) Generally, each Client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the Clients participation. Under the Clients agreement with the custodian/broker, transaction costs will be based on the number of shares traded for each client.

5) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

6) PPS&V client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

7) Funds and securities for aggregated orders are clearly identified on PPS&V records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating Client.

8) No Client or account will be favored over another.

## **Item 13 Review of Accounts**

### ***A. Frequency of Reviews***

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored and reviewed, the Client Account(s) will be reviewed at least annually by Ryan J. Vliek, CCO, or by another member of the Investment Management Committee.

### ***B. Causes for Reviews***

Reviews can be conducted more or less frequently at the Clients request. Accounts can be reviewed as a result of major changes in economic conditions, known changes in the Clients financial situation, and/or large deposits or withdrawals in the Clients account. The Client is encouraged to notify PPS&V if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews can be triggered by material market, economic or political events.

### ***C. Review Reports***

The Client will receive brokerage statements no less than quarterly from the custodian. These brokerage statements are sent directly from the custodian to the Client. The Client can also establish electronic access to the custodian's website so that the Client can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Clients account[s]. The Advisor will also



provide Clients with quarterly reports regarding their holdings, allocations, performance and billing statement.

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

### ***A. Compensation Received by PPS&V***

PPS&V is a registered investment adviser, which primarily receives its compensation directly from its Clients. Investment Advisor Representatives of PPS&V, in their separate capacities, will receive commissions on insurance products as detailed in Item 10.

### ***B. Client Referrals from Solicitors***

It is PPS&V's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

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

## **Item 15 Custody**

Under Rule 206(4)-2 of the Advisers Act, also known as the Custody Rule, PPS&V does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them, with the sole exceptions of directly debiting of advisory fees and certain situations in which Client accounts have standing payment instructions to third parties. In those exceptions PPS&V is deemed to have custody.

The SEC issued a no-action letter with respect to the Custody Rule to clarify certain requirements the Advisor and qualified custodian needs to take to be exempt from the annual surprise exam. In conjunction with Charles Schwab, PPS&V has taken steps to satisfy those requirements. These conditions include such things as using a qualified custodian, sending notices to clients at account opening and confirming statements are being provided to clients. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the clients investment assets. PPS&V urges clients to carefully review such statements and compare such official custodial records to the account statements that we will provide. PPS&V's statements can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 Investment Discretion**

PPS&V has discretion over the selection and number of securities to be bought or sold in

Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales can be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by PPS&V. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Clients execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by PPS&V will be in accordance with each Clients investment objectives and goals.

In addition, PPS&V acts as a 3 (21) Co-Fiduciary Investment Advisor to one employer sponsored plan and has non-discretionary authority on that account.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm can provide investment advisory services relative to Client investment assets, 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 Clients investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the Clients investment assets.

We can provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. PPS&V has no such financial circumstances to report.

PPS&V has not been the subject of a bankruptcy petition at any time during the past ten years.