



## **Advantage Retirement Group**

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**November 17, 2023**

### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Advantage Retirement Group. If you have any questions about the contents of this brochure, please contact us at 239 - 561-1155. 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 Advantage Retirement Group (IARD/CRD #144417) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Advantage Retirement Group is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

The material changes in this brochure from the last annual updating amendment of Tounjian Advisory Group, LLC on 03/11/2022 are listed below. Material changes relate to Tounjian Advisory Group, LLC policies, practices or conflicts of interests only.

- Tounjian Advisory Group, LLC has updated its Methods of Analysis, Investment Strategies and Risk of Loss (Item 8).
- Tounjian Advisory Group, LLC has updated its fees and compensation for their third party money management. (Item 5)
- Tounjian Advisory Group, LLC no longer uses the custodian TD Ameritrade and now uses Charles Schwab & Co., Inc. Advisor Services. (Items 12 & 14)

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## **Item 4 Advisory Business**

### **Firm Description**

Tounjian Advisory Group, LLC doing business as Advantage Retirement Group is a registered investment adviser primarily based in Fort Myers, Florida. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 2010. Alfred M. Tounjian is our sole owner.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Advantage Retirement Group and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **Portfolio Management Services**

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice inclusive of financial planning. As part of our portfolio management services, we will customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by an unaffiliated investment adviser firm. Once we select a model portfolio, we will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account and the commissions to be paid to brokerage firms without your approval prior to each transaction.

Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### **Selection of Other Advisers**

As part of our investment advisory services, we may use one or more third-party money manager(s) to manage a portion of your account on a discretionary basis. We have entered into a co-advisory relationship with AE Wealth Management, LLC ("AEWM") to provide investment advisory services to clients. This arrangement allows us to access model portfolios, model managers, strategists, third-party money manager(s), and trading services through AEWM's managed account program. As part of the AEWM program, you will give us and AEWM discretion to select third-party, non-affiliated investment managers ("Model Managers") to design and manage model portfolios for your assets. If we offer you services through AEWM, we will provide you with a copy of AEWM's disclosure brochure which contains a detailed description of AEWM's services. We will regularly monitor the performance of your accounts managed by AEWM or other third-party money manager(s) and may hire and fire any third-party money manager(s) without your prior approval. AEWM has contracted with an unaffiliated service provider to calculate the fee and instruct the qualified custodian(s) to deduct the fee and pay AEWM and Co-Advisor in accordance with this Agreement.

Beyond the AEWMM relationship as described above we also recommend third-party money manager(s) like Matson Money, Inc. ("Matson" or "MM"), formerly known as Abundance Technologies, Inc. a registered investment advisory firm. We do not provide any investment management services or render any investment advice on behalf of Matson rather we will require that you complete a Questionnaire from Matson to determine your risk profile, investment horizon, financial circumstances and investment objectives. The Questionnaire will assist us in determining one of the following seven "model portfolios," with target underlying asset allocations as noted:

1. Aggressive Growth (95% equities/5% fixed income)
2. Long-Term Growth (85% equities/15% fixed income)
3. Long-Term Growth (75% equities/25% fixed income)
4. Balanced Growth (60% equities/40% fixed income)
5. Balanced Growth (50% equities/50% fixed income)
6. Balanced Growth (40% equities/60% fixed income)
7. Income and Growth (25% equities/75% fixed income)

Clients determine their investment objectives and most appropriate model portfolio combination through the Questionnaire process with us but are not otherwise permitted to impose restrictions on their accounts given that the accounts are invested in mutual funds subject to their own inherent investment restrictions.

### **Written Acknowledgement of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Wrap Fee Programs**

Advisor does not sponsor any wrap fee programs. The structure and nature of the various accounts under the AEWMM arrangement as described above may be considered to be wrap fee type programs in that commissions are not charged for trade executions. The advisory fee paid by the client includes custody, trades, management expertise and reporting in a bundled format.

A client's total cost of each of the services provided through these programs could be different if purchased separately. Cost factors may include the client's ability to:

1. Obtain the services provided within the programs separately from any of the mutual fund sponsors,
2. Invest and rebalance the selected mutual funds without the payment of a transaction charge, and
3. Obtain performance reporting comparable to those provided within each program.

When comparing costs, the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately. Clients may be required to have multiple accounts, sign numerous documents and incur various fees. If an account is not actively traded or the client qualifies for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

Our investment adviser representatives ("IARs") may have a financial incentive to recommend a fee-based advisory program rather than having you pay separately for investment advisory services, brokerage, performance reporting and other services. A portion of the annual fee charged in fee-based programs is paid to our IARs. This may be more than what would be received under an alternative program or if these services were paid for separately. Our IARs do not participate in revenue sharing so there is no financial incentive to recommend a particular account program over another. Our IARs do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds.

We believe the charges and fees offered within each fee-based program are competitive and reasonable when compared to alternative programs available through other firms and/or investment sources. However, we make no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

If you participate in a wrap program it will be on a discretionary basis. The strategies implemented are based on clients' individual investment objectives. If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure from AEWM explaining the program and costs associated with the program.

### **Types of Investments**

We primarily offer advice on mutual funds. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

### **Assets Under Management**

As of December 2022, we manage \$ 324,701,617 in client assets on a discretionary basis. We do not manage client assets on a non-discretionary basis.

### **Assets Under Advisement**

As of December 2022, we advise on \$ 5,034,623 in client assets.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our maximum annual fee for portfolio management services is 1.0% of your assets we manage. Our advisory fee is negotiable, depending on individual client circumstances.

### **Fees and Compensation**

Our annual portfolio management fee is billed as follows: Fees collected by AE Wealth Management are billed and paid to us monthly in arrears based on Average Daily Balance.

All fees collected by Matson Money are payable quarterly in advance in increments of one-fourth the annual rate. Fees are generally based upon the value of an account as of the last business day of each quarterly period. However, when a Client adds assets to, or withdraws assets from, an account during the quarter, Matson Money refunds a portion of your fee for withdrawals (on a prorated basis) and they charge an additional fee for additions to your account (also on a prorated basis). Matson will make any applicable refunds or collect additional fees within 90 days of our receipt of notice of each

withdrawal or addition.

### Other Advisor Fees

Services provided through AEW's managed account program are offered both on a non-wrap fee basis and through a wrap fee program. If you choose to receive services on a non-wrap fee basis, you may pay separate commissions, ticket charges, and custodian fees for the execution of transactions in your account. These charges (if applicable) will be in addition to any investment management fee that you may pay to AEW and to our firm. If you choose to receive services through the wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account. AEW and our firm will receive a portion of the fee as compensation for services. When services are provided through AEW, the following fee schedule will be applied;

Assets Under Management	Tounjian Fee	AEW Fee	Total Fee
\$500,000 to \$1,000,000	1.00%	0.40%	1.40%
\$1,000,001 to \$2,000,000	0.90%	0.40%	1.30%
\$2,000,001 to \$3,000,000	0.85%	0.40%	1.25%
\$3,000,001 to \$5,000,000	0.80%	0.40%	1.20%
\$5,000,001 to \$7,000,000	0.75%	0.40%	1.15%
\$7,000,001 to \$10,000,000	0.70%	0.40%	1.10%
\$10,000,001 to \$20,000,000	0.60%	0.40%	1.00%

Fees are paid monthly in arrears. Lower fees for comparable services may be available from other sources. This fee includes AEW's platform fee and Third-party Money Manager's fees. The annual fee will be specified in your Client Agreement with AEW and our firm. A more detailed description of fees related to AEW's managed account program is located in AEW's disclosure brochure which will be provided to you if we offer you services through AEW. Investment Advisory fees are negotiable depending upon the needs of the client and the complexity of the situation. Additional fees may apply to accounts with tax-loss harvesting strategies. Final fee schedule is attached to each client's IAA.

In the Matson Money program, we do not charge you a separate fee for the selection of other advisers, nor will you pay additional fees because of this referral arrangement rather we receive a portion of the fee up to 1.0% charged received by Matson for the referral. Matson receives a fee of the average daily net assets of each series of the Matson Fund. Advisory fees that you pay to Matson are established and payable in accordance with the Form ADV Part 2A or other equivalent disclosure document provided by Matson. These fees may or may not be negotiable. These fees are debited automatically from your account by Matson and paid to us so long as you remain a client of Matson and as long as we have an agreement with Matson.

You will be required to sign a tri-party agreement directly with AEW or Matson. You may terminate your advisory relationship with AEW or Matson according to the terms of your agreement. You should review Matson's disclosure brochure for specific information on how you may terminate your advisory relationship with them and how you may receive a refund, if applicable. You may contact us at the telephone number on the cover page of this brochure with questions regarding your advisory agreement.

### Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange

traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

## **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents with Advantage Retirement Group, an insurance agency and an affiliate entity (see Item 10 below for more information). These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, Tounjian Advisory Group will document the conflict of interest in the client file and inform the client of the conflict of interest.

Clients always have the right to decide whether to purchase Advantage Retirement Group recommended products and, if purchasing, have the right to purchase those products through other brokers or agents that are not affiliated with Advantage Retirement Group. Commissions are not Advantage Retirement Group's primary source of compensation for advisory services.

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

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

## **Item 7 Types of Clients**

We offer investment advisory services to individuals to include high net worth individuals, corporations or other businesses.

AEWM requires a minimum of \$10,000 to open and maintain a portfolio management account. AEWM may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.



Our suggestion that you use the services of third-party money manager(s) is offered to individuals to include high net worth individuals. Although our firm does not impose a minimum account size to become a client, the recommended third-party money manager may require a minimum amount of investable assets to open and maintain an advisory account. Please refer to the disclosure brochure of the third-party money manager(s) for further information in reference to minimum account size and fees charged by them.

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

### **Our Methods of Analysis and Investment Strategies**

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

**Charting** - Charting is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

**Technical** – The Technical Method evaluates securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**Fundamental** – The Fundamental Method evaluates a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy,

overpriced = sell or short). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

**Cyclical** – The Cyclical Method analyzes investments which are sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We may employ the following investment strategies when managing client assets and/or providing investment advice:

**Value investing.** A value investing strategy selects stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

**Tactical asset allocation.** A tactical asset allocation strategy allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

**Strategic asset allocation.** A strategic asset allocation strategy calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

**Model Portfolio Selection.**

We review each model portfolio before selecting them to be included in our program. We also conduct ongoing reviews to ensure that the model portfolio is still suitable for our programs. We call these processes “due diligence.” In order to assist us in conducting our due diligence and selection of model portfolios, we have contracted with an outside firm to act as our Chief Investment Officer.

We use a multi-step process in researching model portfolios. Each model portfolio and its manager(s) is evaluated on the basis of information provided by the manager including descriptions of its investment process, asset allocation strategies employed, sample portfolios to review securities selections, and the manager’s Form ADV Disclosure Brochure (if applicable). We attempt to verify the information provided by comparing it to other data from publicly available data collection sources.

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third-party money managers. We primarily rely on investment model portfolios and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

**Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out (“FIFO”) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

**Risk of Loss**

Investing in securities (including stocks, mutual funds, and bonds, etc.) always involves risk of loss. Depending on the different types of investments utilized, there may be varying degrees of risk. Accordingly, you should be prepared to bear investment loss including the loss of your original principal. Further, past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

**Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

**Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk**. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Options Risk**. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put, and call options are highly specialized activities and entail greater than ordinary investment risks.

**ETF and Mutual Fund Risk** – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

**Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**Structured Notes Risk** - A purchaser should evaluate and understand all of the risks and costs of an investment in Structured Notes (SNs) prior to making any investment decision. A purchase of an SN entails other risks not associated with an investment in conventional bank deposits. A purchaser may not have a right to withdraw his/her investment prior to maturity or could incur substantial penalties for an early withdrawal, if permitted. A purchaser should carefully read the disclosure statement and any other disclosure documents for a SN before investing. An investment in SNs is not FDIC insured and is subject to credit risk. The actual or perceived creditworthiness of the note issuer may affect the market value of SNs. SNs will not be listed on any securities exchange. Even if there is a secondary market, it may not provide enough liquidity to allow purchasers to trade or sell SNs. As a holder of SNs, purchasers will not have voting rights or rights to receive cash dividends or other distributions or other rights in the underlying assets or components of the underlying assets. Certain built-in costs are likely to adversely affect the value of SNs prior to maturity. The price, if any, at which the notes can be purchased in secondary market transactions, if at all, will likely be lower than the original issue price and any sale prior to the maturity

date could result in a substantial loss. SNs are not designed to be short-term trading instruments. Purchasers should be willing to hold any notes to maturity. The tax consequences of SNs may be uncertain. Purchasers should consult their tax adviser regarding the U.S. federal income tax consequences of an investment in SNs. If a SN is callable at the option of the issuer and the SN is called, the holder will receive only the applicable redemption amount and will not receive any coupon payments that would have been payable for the remainder of the term of the SN. SNs are Not FDIC Insured, May Lose Principal Value and are Not Bank Guaranteed.

#### **Recommendation of Particular Types of Securities**

We do not primarily recommend one type of security to clients.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

### **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 Organization (SR) Proceedings**

There are no self-regulatory organization proceedings to report.

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

#### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

We have no registrations as a Broker/Dealer or Broker/Dealer Representative.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Tounjian Advisory Group, LLC nor its representatives are registered as or have pending

applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Licensed Insurance Affiliate**

National Benefit Corp., d/b/a Advantage Retirement Group, has been a licensed insurance entity in the State of Florida and Maryland since 1991. The corporation is owned by Alfred M. Tounjian, who is also the President of the firm. Persons providing investment advice on behalf of our firm are licensed as independent insurance agents with Advantage Retirement Group, an insurance agency and an affiliate entity. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **D. Selection of Other Advisors**

Our investment advisory services consist primarily of suggesting that you use the services of third-party money manager(s) as your investment adviser to manage your investment portfolio. We may monitor a recommended third-party money manager's performance pending our arrangement with the third-party money manager. If and when you are referred to third-party money manager(s), they will be properly registered, and we will receive compensation from them 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 third-party money manager(s). You are not obligated, contractually or otherwise, to use the services of a recommended third-party money manager(s).

Prior to introducing clients to third-party money manager(s), we will be responsible for providing assurances that before selecting other advisers that the other advisers are properly licensed or registered as an investment adviser.

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## Item 12 Brokerage Practices

Custodians/broker-dealers will be recommended based on our firm's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and our firm may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of our firm. Our firm will never charge a premium or commission on transactions beyond the actual cost imposed by the broker-dealer/custodian.

Our firm recommends Fidelity Brokerage Services LLC (CRD# 7784) and Charles Schwab & Co., Inc. Advisor Services . Charles Schwab & Co., Inc. Advisor Services is an independent and unaffiliated SEC-registered broker-dealer.

### Research and Other Soft Dollar Benefits

Our firm has access to research, products, or other services from its broker/dealer in connection with client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers. There can be no assurance that any particular client will benefit from any particular soft dollar research or other benefits. Our firm benefits by not having to produce or pay for the research, products or services, and our firm will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that our firm's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### Directed Brokerage

We do not allow client directed brokerage.

### Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). However, through our third-party money managers the traders on the accounts are authorized in their discretion (but not obligated) to do block trading. Accordingly, you may pay different prices for the same securities transactions than other clients pay.

## Item 13 Review of Accounts

Each investment adviser representative ("IAR") for Tounjian Advisory Group, LLC will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.



The individuals conducting reviews may vary from time to time, as personnel join or leave our firm. We will not provide you with additional or regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s). Financial plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

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

Please refer to other referral-based compensation described under *Fees and Compensation* section (Item 5) above.

Certain products sponsors may provide Alfred M. Tounjian with other economic benefits as a result of his recommending or selling the product sponsors' investments. The economic benefits he receives from product sponsors can include, but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, and tools to assist him in providing various services to clients. Tounjian Advisory Group, LLC Alfred M. Tounjian endeavor at all times to put the interest of its clients ahead of their own interests or those of the advisor's officers, directors, or representatives ("affiliated persons"). However, these arrangements could affect Mr. Tounjian's judgment when recommending investment products and present a conflict of interest that may affect his judgment.

Charles Schwab & Co., Inc. Advisor Services provides us with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services 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 \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to us other products and services that benefit us but may not benefit its clients' accounts. These benefits may include national, regional or our specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of ours by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to us other services intended to help us manage and further develop its



business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to us by independent third parties. Charles Schwab & Co., Inc. Advisor Services may 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 us. We are independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees when you specifically authorize them to do so. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We do not have a custodial relationship at this time.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us immediately at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf or hire and fire third-party money managers you must first sign our management agreement or tri-party agreement and the appropriate trading authorization forms.

If you enter into a discretionary arrangement with our firm, you must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s). You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. We do not offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

Please refer to *Client Referrals and Other Compensation* section above for information about our solicitor arrangements.

## **Item 18 Financial Information**

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.