

## Item 1: Cover Page

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# **Peak Financial Management, Inc.**

## Form ADV Part 2A

### Investment Advisor Brochure

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October 2023

This Brochure provides information about the qualifications and business practices of Peak Financial Management, Inc. (“we,” “us,” “our”). If you have any questions about the contents of this Brochure, please contact Shaun P. Thompson, Senior Wealth Advisor and Chief Compliance Officer, at (781) 487-9500 or [shaun@peak-financial.com](mailto:shaun@peak-financial.com).

Additional information about our Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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.

We are a registered investment adviser. Please note that use of the term “registered investment advisor” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## Item 2: Material Changes

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### **Annual Update**

In this Item of Peak Financial Management, Inc. (Peak or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment.

### **Material Change(s) Since the Last Update**

Since the Firm's last Annual Amendment filing on March 27, 2023, the Firm has the following Material Changes to report:

- The Firm moved; thus, the address was updated accordingly on this brochure.
- This Form was updated to expressly clarify that we do not vote proxies on behalf of clients. Please refer to Item 17 (Voting Client Securities) for additional information.

### **Full Brochure Available**

Peak's Form ADV may be requested at any time, without charge by contacting Shaun P. Thompson, Senior Wealth Advisor and Chief Compliance Officer, at [shaun@peak-financial.com](mailto:shaun@peak-financial.com), or by calling us at (781) 487-9500.

Additional information about our Firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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.

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## Item 4: Advisory Business

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### **Information About the Firm**

Peak Financial Management, Inc. (Peak, the Firm, we, us, our) is a federally registered investment adviser with its principal place of business located in Wellesley, Massachusetts. Peak began conducting business in 1991.

The Firm's principal owner is Pran N. Tiku.

We offer the following advisory services to our clients:

### **Portfolio Management**

We provide continuous advice to clients regarding the investment of client funds assessed on the individual needs of the client. Through personal discussions, in which goals and objectives based on a client's particular circumstances are established, we assign a client a model investment policy and manage their portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We provide portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), time horizon, as well as tax considerations. Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio; the portfolio is managed based on the portfolio's goal, with adjustments based on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our Model Portfolios are as follows:

***Conservative Model:*** Suitable for investors who desire to preserve portfolio principal with a low tolerance for risk and significant withdrawal needs.

***Income Model:*** Suitable for investors who need current income and want to preserve their future purchasing power with some growth. Client has low-moderate risk tolerance with regular and significant withdrawal needs.

***Balanced Model:*** Suitable for investors who want to balance income preservation with future

growth. Client has moderate-average risk tolerance and semi-regular withdrawal needs.

**Moderate Growth Model:** Suitable for investors who have no near-term income needs, are adding to the portfolio and can withstand market risk to achieve future growth. Client has above average risk tolerance and no withdrawal needs other than unexpected expenses.

**Growth Model:** Suitable for investors who will have other sources of retirement income are adding to the portfolio and can withstand extreme market risk to achieve future growth. Client has very high-risk tolerance and no withdrawal needs.

The underlying composition and allocation of asset classes may change in the models from time to time at our discretion based on market conditions and changes in client needs.

Our investment recommendations are not limited to any specific product or service offered by a custodian or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over the counter
- Certificates of deposit
- Mutual fund shares

We may recommend investments in alternative investments, including real estate limited partnerships, oil and gas partnerships, or private equity and hedge funds.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **Financial Planning**

We provide financial planning services. Financial planning is an integrated evaluation of a client's current and future financial state by using currently known variables to attempt to predict future cash flows, asset values and withdrawal plans. Throughout the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. We may provide a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives. While the financial plan is based on each client's goals and objectives, there is no guarantee that these goals will be achieved.

In general, the financial plan may address any or all of the following areas:

- **PERSONAL:** We review family records, cash flow, personal liability, estate information and financial goals.

- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; and attempt to illustrate the impact of various scenarios on the client's current income tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, disability, long-term care, liability.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's predicted cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans.

We gather required information through personal interviews. Information gathered includes the client's investments and investable assets, current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, which may include a questionnaire completed by the client, and we may prepare a written report. Should the client choose to implement certain recommendations identified by the plan, we recommend the client work closely with his/her attorney, accountant, and/or insurance agent, as we do not render legal or tax advice. Financial planning recommendations are not limited to any specific product or security offered by a broker, custodian or insurance company. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically, an initial financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

### **Sub-Advisory Relationships**

Peak provides sub-advisory services to unaffiliated registered investment advisers. For each sub-advised client, Peak will have discretionary authority to develop and implement an appropriate investment program based upon the client's investment objectives, guidelines, restrictions. On an ongoing basis, Peak will provide investment advice and recommendations to the client, and place orders for the execution of all purchase and sale transactions.

### **Tailored Relationships**

Peak tailors investment advisory services to the individual needs of the client. Peak clients are allowed to impose restrictions on the investments in their account. All limitations and restrictions placed on accounts must be presented to Peak in writing. Clients will retain individual ownership of all securities.

### **Fiduciary Statement**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act, (“ERISA”) and/or the Internal Revenue Code, (“IRC”), as applicable, which are laws governing retirement accounts.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration each client’s objectives and act in the best interests of the client. We are prohibited from engaging in any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client’s needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when working with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

### **Wrap Fee Programs**

Peak does not participate in a Wrap Fee Program.

### **Assets Under Management**

As of January 26, 2023, assets under management equaled \$367,114,205 and were all managed on a discretionary basis.

## Item 5: Fees and Compensation

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### **Portfolio Management Fees**

Portfolio Management services will be charged as a percentage of assets under management, on the balance of client assets at the end of each quarter, according to the following schedule:

| <b>Total Assets</b>        | <b>Quarterly Fee</b> | <b>Annual Fee</b> |
|----------------------------|----------------------|-------------------|
| \$1,000,000 and Under      | 0.2375%              | 0.95%             |
| \$1,000,001 to \$3,000,000 | 0.2125%              | 0.85%             |
| \$3,000,001 and Over       | 0.1875%              | 0.75%             |

Fees are typically charged quarterly in advance.

Clients may elect to be billed directly for fees or to authorize us to debit fees directly from client accounts. Portfolio management fees are assessed on the balance of client assets, including cash, at the end of each calendar quarter. Accounts initiated or terminated during a calendar quarter may be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable pursuant to the terms outlined in the advisory agreement.

Peak's portfolio management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients are responsible for the payment of these costs and expenses. Clients may also incur certain other charges imposed by custodians, brokers, third-party investment managers, and other third parties, such as interest charges, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients are responsible for the payment of these costs and expenses. Mutual funds, exchange-traded funds, investment advisors and private funds also charge internal management fees, which are disclosed in a fund's prospectus or offering documents. Such charges, fees and commissions are exclusive of, and in addition to, our portfolio management, and we will not receive any portion of these commissions, fees, and costs.

### **Financial Planning Fees**

Generally Financial Planning fees are included in the Portfolio Management Fees. In instances, where a customer desires only financial planning services (without portfolio management), the financial planning fee is estimated based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a Financial Planning Agreement with any client and are calculated and charged on an hourly basis. Our Financial Planning fees are generally not negotiable. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the engagement.

All fees are paid upon completion of the project.



Financial Planning Fee Offset: We reserve the discretion to reduce or waive the hourly fee if a financial planning client chooses to engage us for our portfolio management services.

### **Sub-Advisory Services Fees**

Sub-advisory fees are negotiated between Peak and the unaffiliated investment adviser. The fees will be set forth in the sub-advisory agreement and Peak will receive a percentage of the fee charged to the end client by the unaffiliated investment adviser, ranging from 0.20% - 0.75% annually.

### **General Information**

The specific manner in which we charge fees is established in each client's written investment advisory agreement.

### **Cash Balances**

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

### **Retirement Plan Rollover Recommendations**

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the client's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in our clients' best interests and not put our interests ahead of our clients.'

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 our clients' 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 our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, clients should consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. leaving the funds in the employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide clients with an explanation of the advantages and disadvantages of both account types and document the basis for our belief that the rollover transaction we recommend is in your best interests.

### **General Information on Compensation**

Fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Lower fees for comparable services may be available from other sources.

Related accounts may be linked for purposes of fee calculation if all parties agree; meaning certain accounts approved by us may be grouped for fee calculations.

Fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of a client. As described above, all fees paid to us for investment management services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees

will generally include a management fee, other fund expenses and a possible distribution (12b-1) fee. The broker/dealer may receive these fees in connection with the placement of client funds into mutual funds. We do not receive any portion of 12b-1 or similar fees. These fees are rebated by the broker/dealer to the client. The client should review both the fees charged by mutual funds and the fees charged by us to fully understand the total amount of fees to be paid and to evaluate the advisory services being provided.

The same or similar investment management services may be available from other investment advisers for a lower fee. Investment management fees, which include investment management and transaction costs may be more or less costly than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the account, the level of brokerage and other fees that would be payable if client obtained the services individually.

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

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Neither Peak nor any of our Supervised Persons (employees) accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7: Types of Clients

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Peak provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans
- Corporations and other businesses

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

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### **Methods Of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

#### ***Asset Allocation***

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may 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 client's goals.

#### ***Mutual Fund and/or ETF Analysis***

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 or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of 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 may 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 may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### **Investment Strategies**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

#### ***Long-term purchases***

We may purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when: we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### ***Short-term purchases***

When utilizing this strategy, we may purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

### **Risk of Loss**

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

**All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risks of loss:**

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations because of technological errors, control failures, malfeasance, and/or potential regulatory liabilities.



## **Item 9: Disciplinary Information**

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We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Peak and our management personnel have no reportable disciplinary events to disclose.

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

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### **Financial Industry Activities**

Peak is not registered as a broker-dealer and none of its management persons are Registered Representatives of a broker-dealer.

Neither Peak nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Peak, our employees and related persons are not engaged or directly affiliated with any other financial services institution other than those stated below.

### **Insurance Company or Agency**

Robert S. Roselli is a licensed insurance agent. He may, depending on a client's individual needs, recommend life, disability, or long-term care insurance products, from which he may earn a commission if the product is purchased by the client. Clients are not obligated to use Peak for insurance product purchases and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by Peak.

Peak does not recommend or select other investment advisors for its clients.

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

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

Both Peak and our employees 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 but to the general principles that guide the Code.

Our Code 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 employees. Among other things, our Code 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 and enforcement by our chief Compliance officer and record-keeping provisions.

Our Code further includes a 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 may not be used in a personal or professional capacity.

Our Code is designed to assure 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.

Both Peak and our employees are prohibited from engaging in principal transactions.

Both Peak and our employees are prohibited from engaging in agency cross transactions.

Peak and our employees may buy or sell for their personal account's securities identical to or different from those recommended to our clients. In addition, any employees may have an interest or position in a certain security(ies) which may also be recommended to a client.

Our policy is that no employee may 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.

Employee trades may be aggregated with client transactions where possible and when compliant with our duty to seek best execution for 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. As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our Code, to ensure we comply with our regulatory obligations and provide our clients and potential clients with full and fair disclosure of such conflicts of interest:

- Our employees may not put his or her own interest above the interest of a client.
- Our employees may not 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.
- No employee may 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.

Employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Employees are required to acknowledge the Code.

We have established policies requiring the reporting of Code violations to our senior management.

Any individual who violates any of the above restrictions may be subject to termination.

A copy of our Code is available by request by email sent to [shaun@peak-financial.com](mailto:shaun@peak-financial.com) or by calling (781) 487-9500.

#### **Participation or Interest in Client Transactions – Personal Securities Transactions**

The Firm and our employees may buy or sell securities identical to those recommended to clients for their personal accounts.

The Code, described above, is designed to assure 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. Under the Code, certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of certain transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code and designed to reasonably prevent conflicts of interest between the Firm and our clients.

**Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

The Firm and our employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is our policy that we will not affect any principal or agency cross securities transactions for client accounts.

## Item 12: Brokerage Practices

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

We have no written or verbal arrangements whereby we receive soft dollars. See disclosure below in “Other Economic Benefits.”

### **Directed Brokerage**

We generally recommend that clients utilize the trading, custody and clearing services of certain brokers “Broker/Dealers.” Factors which we consider in recommending Broker/Dealers to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by Broker/Dealers may be higher or lower than those charged by other broker/dealers.

The commissions paid by our clients comply with our duty to obtain “best execution.” Clients may pay commissions to Broker/Dealers that are higher than another qualified broker/dealer might charge to affect the same transaction where we determine that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. We seek competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

We periodically and systematically review our policies and procedures regarding our recommendation of Broker/Dealers in light of our duty to obtain best execution.

The client may direct us in writing to use a particular broker/dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker/dealers, and we will not seek better execution services or prices from other broker/dealers or be able to “batch” client transactions for execution through other broker/dealers with orders for other accounts managed by us. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Brokerage for Client Referrals**

We may receive client referrals from Broker/Dealers. This creates a potential conflict of interest in that we may have an incentive to select or recommend a Broker/Dealers based on receiving client referrals, rather than on a clients’ interest in receiving most favorable execution. As described above, we select brokers based on best (favorable) execution and not on the basis of client referrals.

### **Other Economic Benefits**

We may receive from Broker/Dealers, without cost to us, research, computer software and related systems support, which allow us to better manage and monitor client accounts maintained at Broker/Dealers. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at Broker/Dealers. The software and related systems support may benefit us, but not its clients directly. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware; however, that our receipt of economic benefits from a Broker-Dealer creates a conflict of interest since these benefits may influence our choice of a broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

We may also receive the following benefits from Broker/Dealers: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Broker/Dealers Advisor Solutions participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Trade Aggregation**

We may from time-to-time block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Our block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with our order allocation policy.
- The trading desk and the wealth manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- The wealth manager must reasonably believe that the order aggregation will benefit and will enable us 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.
- 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 client's participation. Under the client's agreement with the custodian transaction costs may be based on the number of shares traded for each client.

- Our 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.
- Funds and securities for aggregated orders are clearly identified in our records and to the custodians or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- It is our policy that no client account will be favored over another.



## Item 13: Review of Accounts

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### **Portfolio Management Services**

REVIEWS: The underlying securities in each Model Portfolio are continually monitored. Each client account is reviewed at least annually in the context of the investment objectives and guidelines of each Model Portfolio as well as any investment restrictions provided by the client. Client accounts are rebalanced, as necessary. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Accounts are reviewed by Christopher K. Gaffney, Vice President and Senior Wealth Advisor, Jeffrey C. Smith, Chief Investment Officer, and/or Shaun P. Thompson, Senior Wealth Advisor and Chief Compliance Officer.

REPORTS: Clients receive at least quarterly statements from qualified custodians which include account activity, beginning and ending balances, and current values. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

In addition, we also provide each client with a quarterly report summarizing account performance, balances and holdings. Our reports also remind the client to notify us if there have been changes in their financial situation or investment objectives and whether they wish to impose investment restrictions or modify existing restrictions.

### **Financial Planning Services**

REVIEWS: Reviews occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews are conducted for Financial Planning clients unless specifically contracted for.

REPORTS: Financial Planning clients will receive a financial plan. Additional reports will not typically be provided unless specifically contracted for.

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

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### **Compensation – Client Referrals**

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. We do not compensate referring parties for these referrals.

### **Other Compensation**

Robert S. Roselli may receive commissions for the sale of life insurance policies which may be recommended to clients as a part of their financial plan, if it is in the best interest of the client.

## Item 15: Custody

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### **Custody - Fee Debiting**

We previously disclosed above in the “Fees and Compensation” section (Item 5) that we may debit advisory fees directly from client accounts.

As part of this billing process, the client’s custodian is advised of the amount of the fee to be deducted from that client’s account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

### **Custody - First Party Money Transfers**

Clients may provide us with written ongoing authorization to wire money between the client’s accounts held with the qualified custodian directly to an outside financial institution (i.e., a client’s bank account). A copy of this authorization is provided to the qualified custodian. The authorization includes the client’s name and account number(s) at the outside financial institution(s) as required.

### **Custody - Third Party Money Transfers**

Clients may provide us with a standing letter of authorization (or similar asset transfer authorization) which allows us to disburse funds on behalf of clients to third parties. We ensure the following conditions are in place when deemed to have custody via third party money movement:

1. The client provides a Written Authorization to the custodian that includes all appropriate information as to how the transfer should be directed;
2. The Written Authorization includes instruction to direct transfers to the third party either on a specified schedule or from time to time;
3. Appropriate verification is performed by the custodian, along with a transfer of funds notice to the client promptly after each transfer;
4. The client may terminate or change the instruction to the custodian;
5. Peak Financial Management has no authority or ability to designate or change any information about the third party contained in the instruction;

6. Peak Financial Management maintains records showing that the third party is not a related party of the Firm or located at the same address as Peak Financial Management; and
7. The custodian sends the client a written initial notice confirming the instruction and an annual written confirmation thereafter.

#### **Custody - Trusteeship**

Pran N. Tiku acts as trustee for certain client trusts. This form of custody is offered on a limited basis. Peak complies with the SEC's Custody Rule with regard to the custody of the trust assets; annually the Firm is subject to a Surprise Examination by an independent accountant.

#### **Custody - Access to Client Funds and/or Securities**

The Firm has custody over certain client assets in the form of having login credentials for certain client accounts.

The Firm has developed stringent internal controls and procedures over our custody function. In addition, the Firm complies with the SEC's Custody Rule, which requires an annual surprise examination conducted by an independent accountant.

## Item 16: Investment Discretion

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Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell;
- negotiate custodial commission rates for the buying or selling of securities.

Clients give us discretionary authority when they sign a discretionary agreement with us and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## Item 17: Voting Client Securities

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### **Proxy Voting**

We lack express authority to, and as such, do not vote proxies on behalf of clients. Further, we do not make any explicit or implied recommendations with respect to voting proxies. Clients retain the sole responsibility for receiving and voting proxies that they receive directly from their custodian(s) and/or transfer agent(s). Clients may contact us for information about proxy voting.

## Item 18: Financial Information

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We are required to provide certain financial information or disclosures about our financial condition.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to provide a balance sheet.

We have not been the subject of a bankruptcy petition.

We have no additional financial circumstances to report or disclose.