

Part 2A of Form ADV: *Disclosure Brochure*



Monte Financial Group, LLC

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Date of Brochure: October 4, 2023

This brochure provides information about the qualifications and business practices of Monte Financial Group, LLC ("MFG"). If you have any questions about the contents of this brochure, please contact us at 203-453-6851 or by email sent to info@montefinancialgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

It should be noted that registration as an investment adviser does not require, nor does it imply any level of skill or training.

Additional information about MFG also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 150119.

Item 2 Material Changes

SUMMARY OF MATERIAL CHANGES

This brochure, dated September 29, 2023, includes the following material changes from our brochure filed on March 8, 2023:

- Items 4, 5, 7 and 12– Disclosures have been updated to reflect the launch of our services to institutional clients and sub advisory clients.

ANNUAL OFFER TO CLIENTS

At any time, you may view the current Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

You may also request a copy of this Brochure upon written request to:
Monte Financial Group, LLC
30 Long Hill Road
Guilford, CT 06437

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Item 4 Advisory Business

Monte Financial Group, LLC (MFG) is a wealth advisor and investment management firm located at 30 Long Hill Rd in Guilford Connecticut. MFG was formed by Robert J. Monte, the firm's President, principal owner, and Chief Compliance Officer, on June 19, 2009, and has been in business ever since. MFG offers Private Wealth Services and Institutional Services as further described below.

MFG's provides private wealth services for individuals, their families, and affiliated parties, including trusts formed by such individuals, their estates, charitable giving accounts, IRA's, and other retirement plans. MFG also provides separate account management services to institutional clients, which typically include foundations, trusts, endowments, pension, and profit-sharing plans, as well as high net worth families.

As of December 31, 2022, the total regulatory assets under management with MFG were \$332,407,893, all of which is managed on a discretionary basis. MFG also provides consulting services for approximately \$2,198,664 in assets, which are not included in our regulatory assets under management because we do not provide regular supervisory or investment management services with respect these accounts.

PRIVATE WEALTH SERVICES

As more fully disclosed below, MFG's provides wealth management strategies and investment management services for private wealth clients. MFG also offers a broad range of comprehensive financial planning and consulting services which may include tax-related and other non-investment related matters.

MFG serves as a fiduciary to clients as defined under applicable laws and regulations. As a fiduciary MFG upholds the duty of loyalty, fairness and good faith towards each client and seeks to mitigate conflicts of interest. MFG's fiduciary commitment is further described in the Code of Ethics. For more information regarding Code of Ethics please see item 11 Code of Ethics.

Private Wealth Investment Management

Our Investment Management services include providing discretionary, continuous advice to clients regarding the investment of client funds that is tailored to the individual needs of the client. Through personal discussions and 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 develop a client's personal investment policy and create and manage on a discretionary basis an investment portfolio based on that policy.

As more fully detailed in Item 8 of this Brochure, we typically create and manage a portfolio primarily comprised of individual equity and fixed income securities, allocating the client's assets among various investments taking into consideration the overall management style selected for the client. To further diversify client assets, unaffiliated, independent investment managers, exchange-traded funds (ETFs) and/or mutual funds may be included in client portfolios and are selected based on any or all of the following criteria: the performance history; the category in which the fund invests; the track record of the manager; investment objectives; management style; philosophy; and the management fee structure. Portfolio weighting between market sectors and funds are determined on a per account basis pursuant to each client's individual needs and circumstances. Clients retain individual ownership of all securities.

On an ongoing basis, we manage the portfolio of individual equity and fixed income securities and when included will monitor the performance of the independent investment manager(s), exchange-traded funds (ETFs) and/or mutual funds. If we determine that any of the independent investment manager(s), exchange-traded funds (ETFs) and/or mutual funds is not managing the client's portfolio in a manner consistent with the client's personal investment policy, then we may move that portion of the client's portfolio to a different Independent Investment manager, exchange traded funds (ETFs) and/or mutual funds.

At least annually, we meet with the client to review and update, as necessary, the client's personal investment policy. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's personal investment policy is warranted.

Private Wealth Financial Planning

Generally, ongoing financial planning is offered as part of our investment management services. However, clients that are not a part of our investment management program can engage us specifically for financial planning. Our financial planning services include a comprehensive evaluation of a client's current and future financial state. We gather information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. Prior to implementing the plan, we suggest the client consult with his/her attorney, accountant, insurance agent, and/or other trusted advisor(s). Implementation of the financial plan recommendations is entirely at the client's discretion.

MFG's step-by-step process is as follows:

- **Define.** In this step, we establish and define the relationship, which determines whether MFG can meet client expectations. This step involves an introductory meeting during which MFG provides a thorough explanation of our capabilities, philosophies about investing, client services, and fee structure.
- **Gather.** During this step, MFG determines the client's needs. At this point, we review the client's assets and cash flow needs. This involves an in-depth discussion with the client regarding their needs, goals, and a risk assessment.
- **Analyze / Evaluate.** During this step, MFG builds the client's investment strategy. MFG develops a course of action designed around the client's current financial needs, risk tolerance, as well as the client's goals. This step typically involves the input of the client's other trusted advisors, such as his or her attorney and/or CPA.
- **Plan.** During this step, MFG presents the client's personalized financial plan, stated investment policy and action plan. MFG explains the basics of the recommendation, the reasons why it believes it suits your specific needs and provide full disclosure of fees and expenses.

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

- **Personal:** We review family records, budgeting, 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.
- **Investments:** We analyze various investment scenarios and their effect on the client's portfolio.

We also provide general non-securities advice on topics that may include tax, estate, and charitable planning. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Typically, the 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.

Private Wealth Financial Consulting

In the event a client does not wish to retain MFG for discretionary investment management services, they may instead utilize MFG for specific financial consulting services. This may include advice only on an as-needed basis and only in an isolated area(s) of concern such as nondiscretionary investment advice, liquidity management, longevity planning, risk management, tax planning, legacy planning, trust services and charitable giving. Prior to engaging MFG to provide any of the foregoing investment advisory services, the client is required to enter into Consulting Services Agreement with MFG setting forth the terms and conditions under which MFG renders our services (the "Consulting Agreement").

MFG offers Consulting Services and Financial Planning that do not include investment supervisory or investment management services, nor do they include the regular review or monitoring of the client's investment portfolio. In the event that a client wants MFG to provide ongoing investment supervisory or investment management services, such an engagement will be set forth in a separate Investment Management Agreement, and the client will pay MFG Management Fees for such services. Consulting Services and Financial Planning clients will have the option of implementing MFG's advice in their sole discretion, with the professional advisor(s) of the client's choosing (including the client's broker, accountant, attorney, etc.). The clients specifically acknowledge in the Consulting Agreement that MFG and its financial advisors' role is that of facilitator between the client and his or her designated professional advisor(s). The clients retain absolute discretion over all such implementation decisions and are free to accept or reject any of MFG's recommendations. From time to time and as agreed between the Consulting Services or Financial Planning clients and MFG, such clients may, in their discretion, request MFG to arrange for the purchase and sale of securities recommended by MFG and accepted by the client.

Consulting Service and Financial Planning clients are under no obligation to act upon any of the recommendations made by MFG under their Consulting Agreements, nor are clients obligated to engage the services of any recommended professional (including those of MFG).

As described in Item 8, MFG employs a step-by-step process in our approach to providing investment strategies. In performing any of our services, MFG is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant etc.). The client specifically authorizes MFG and its financial advisors to rely on such information.

Once engaged, the client is advised that it remains the client's responsibility to promptly notify MFG if there is ever any change in its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising MFG's previous recommendations and/or services. However, for ongoing consulting arrangements MFG will provide, at minimum, semi-annual reviews to verify such information.

INSTITUTIONAL SERVICES

MFG offers separate account management services to institutional clients, which may be referred to MFG through their primary adviser or consultant. MFG generally offers institutional separate account services on a direct basis. Institutional accounts are subject to a specified investment minimum, which is \$1,000,000 for our managed strategies. In addition, MFG may provide separate account management services on a sub-advisory basis which may be referred to by the client's primary advisor. Sub advisory accounts are subject to a specified minimum account size of \$500,000.

Institutional and sub advisory clients may impose limited, client-specific investment restrictions, including restrictions on investing in certain securities or types of securities.

Item 5 Fees and Compensation

MFG employs one of three methods to obtain compensation for our services. The method used depends on the service the client requires, as well as his or her specific needs. Each of these methods is governed by the client's agreement with MFG.

PRIVATE WEALTH SERVICES

Private Wealth Investment Management – Asset-based Management Fee

MFG charges an annual management fee for Private Wealth Investment Management services ("Management Fee"). The Asset Based Management Fee has a reduced percentage based on reaching certain thresholds of the market value of the client's total assets under MFG's management. The maximum account fee is 1.00%. The fee is a flat fee based on the total household value. The Management Fee is paid quarterly in advance based upon the market value of the assets on the last day of the previous quarter. The market value is based on the records of the institution retained by the client to provide custodial services (Custodian).

Where we have delegated the active discretionary management of all or part of client assets to one or more unaffiliated Independent Investment Managers, ETF and/or mutual funds, clients will pay such separate fees, in addition to our

Management Fee, as may be set forth in a separate written agreement between the client and the designated Independent Investment Managers or the prospectus of the ETF and/or mutual fund. We will continue to render our services to clients relative to the supervision and ongoing monitoring and review of account performance, asset allocation, and investment objectives, for which services we shall be paid our Management Fee as set forth above.

Limited Negotiability of Management Fees: Although MFG has established standard fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition and reports, among other factors. Each client's specific annual Management Fee schedule is set forth in their Investment Management Agreement. Except for changes in Management Fees rates in accordance with the assets under management tiers set forth in each client's specific annual Management Fee schedule, no increases in Management Fee rates shall be effective unless and until MFG has given the client prior notice as required by their Investment Management Agreement.

We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized Management Fee. We also reserve the right to reduce or waive Management Fees for services provided to family members and friends of individuals associated with our firm. Such rates are not available to all of our Investment Management clients.

Investment Management Fees in General: Clients are subject to MFG's advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's standard advisory fees will differ among clients. Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Payment of Management Fees: As mentioned above, Management Fees are payable quarterly in advance. For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

If assets are deposited into an account after the inception of a quarter that exceed \$100,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to MFG, subject to the usual and customary securities settlement procedures.

For partial withdrawals in excess of \$100,000 within a billing period, MFG shall credit any unearned fee towards the next quarter's Management Fee. However, MFG designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

Management Fees may be paid, at the client's option, by:

- Deducting directly from the account from which services were provided
- Deducting from a directed account for cumulative services
- Direct billing to client

The client Investment Management Agreement and/or a separate agreement with the custodian will govern the form of payment. Such agreements may authorize MFG to debit the client's account for payment of Management Fees and the custodian to directly remit that management fee to MFG in accordance with applicable custody rules.

Termination of the Investment Management Relationship: A client Investment Management Agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party.

Private Wealth Financial Planning – Flat Fee

MFG's Financial Planning Fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All Financial Planning Fees are agreed upon prior to entering into a Financial Planning Agreement with the client. MFG requires a deposit of up to 50% of the flat rate Financial Planning Fee, payable in

advance upon execution of the Financial Planning Agreement. The balance will be due and payable upon completion and delivery of the plan.

Financial Planning Fee Offset: Subsequent to our initial planning fee, MFG will waive future financial planning fees when a client engages us for our Investment Management Services and the client's assets under management are no less than \$500,000.

Payment of Financial Planning Fees: As mentioned above, MFG requires a deposit of up to 50% of the flat rate Financial Planning Fee, payable in advance upon execution of the Financial Planning Agreement. The balance will be due upon completion and delivery of the plan by direct billing.

Termination of the Financial Planning Relationship: A client Financial Planning Agreement may be at any time, by either party, for any reason upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party.

Private Wealth Financial Consulting – Hourly Rate or Flat Fee

MFG's Consulting Fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. All Consulting Fees are agreed upon prior to entering into a Consulting Agreement with any client. MFG may be compensated for our Consulting Services on a flat rate fee or hourly basis, at the rate of \$150 to \$350 per hour (within a minimum charge of 10 minutes and increments of 10 minutes). Consulting Fees charged on a flat rate basis subject to the specific arrangement reached with the client.

Limited Negotiability of Consulting Fee Hourly Rate: Although MFG has established hourly rates, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the rates. These include the complexity of the client, assets to be consulted on, anticipated future additional assets; related accounts; portfolio style, account composition and reports, among other factors.

Payment of Consulting Fees: Consulting Fees on an hourly basis are billed directly to the client monthly or quarterly in arrears, as determined at the outset of the engagement. At the time of engagement, the client pays a deposit representing 50% of the agreed upon flat fee with the remainder due at the completion of the service. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

Termination of the Consulting Services Relationship: A client Consulting Agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party.

INSTITUTIONAL SERVICES

Institutional Separate Account Management –Asset-based Annual Management Fee

MFG charges an annual management fee for institutional separate account management services ("Management Fee") and sub advisory accounts based on a percentage of the market value of the client's total assets under MFG's management. The Asset Based Management Fee has a reduced percentage based on reaching certain thresholds of the market value of the client's total assets under MFG's management. The maximum account fee is 0.75%. The Management Fee is paid quarterly in advance based upon the market value of the assets on the last day of the previous quarter. The market value is based on the records of the custodian retained by the client.

ACCOUNT MANAGEMENT

As mentioned previously in this brochure, the client's funds and securities will be maintained by a third-party custodian. The client may make additions to and withdrawals from the account at any time, subject to MFG's right to terminate the client relationship as set forth in the client agreement. Additions may be in cash or securities provided that MFG reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. MFG may consult with our clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they could be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

ADDITIONAL FEES AND COSTS

As further described in Items 10 & 12, MFG generally recommends that clients utilize the brokerage and clearing services of Fidelity Investments, its affiliates (collectively referred to as “Fidelity”) and/or, Charles Schwab and Company and its affiliates (collectively referred to as “Schwab”) for investment management accounts.

MFG’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by a client. In addition to fees associated with the services of MFG, the client may also incur certain charges imposed by custodians, broker-dealers, third party investments and other parties such as fees charged by Independent Investment Managers, custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), fees imposed by variable annuity providers and disclosed in the annuity contract, 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 not mentioned here. All such charges, fees and commissions are in addition to our fee, and MFG does not receive any portion of these charges, fees, and commissions.

Mutual Fund Fees: When applicable, MFG may recommend the use of mutual funds. In such instances, MFG will only recommend “no load” mutual funds. “No load” mutual funds are mutual funds in which shares are purchased without a commission or sales charge, although the broker-dealer may charge a transaction fee. All fees paid to MFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund’s prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client’s financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Independent Investment Managers: Private wealth clients participating in separately managed account programs with Independent Investment Managers may be charged various program fees in addition to the Management Fee charged by our firm. Such fees include the investment advisory fees of the independent advisors which may be charged as part of a wrap fee arrangement that does not include our fees. In a wrap fee arrangement, clients pay Independent Investment Managers a single fee for advisory, brokerage and custodial services. Clients’ portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client’s account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients in addition to our Management Fees.

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

None of MFG’s fees shall be based on capital gains or capital appreciation of the assets. MFG does not manage client accounts on a side-by-side basis.

Item 7 Types of Clients

MFG’s provides private wealth services for individuals, their families, and affiliated parties, including trusts formed by such individuals, their estates, charitable giving account, IRA’s, and other retirement plans. MFG also provides investment management services to institutional clients, which typically include foundations, trusts, endowments, pension, profit-sharing plans, as well as high net worth families. MFG generally offers institutional separate account services on a direct basis and provides separate account services on a sub-advisor basis.

As a condition for engaging and retaining our firm for investment management services, MFG’s minimum account size for Private Wealth Clients is \$500,000, but from time-to-time MFG offers exception to this minimum. The minimum account size for Institutional Clients is \$1,000,000. The minimum account size for sub advisory clients is \$500,000. Clients are subject to MFG’s minimum account requirements in effect at the time the client entered into the

advisory relationship. Therefore, our firm's minimum account requirements will differ among clients. MFG may consider the following factors, among others, when determining whether to make an exception to the minimum account size:

- Pro Bono Publico: Work we have undertaken voluntarily and without payment as a public service
- Clients who are related to individuals associated with MFG
- Pre-existing clients of MFG's financial advisors
- Account composition
- Anticipated future earning capacity of the client
- Anticipated future additional assets of the client
- Related accounts of the client
- Account retention

Grandfathering of Minimum Account Requirements: As previously disclosed in Item 5, our firm has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. However, pre-existing advisory clients are subject to MFG's minimum account requirements in effect at the time the client entered the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

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

As previously mentioned in Item 7, MFG's resources dedicated to providing wealth management strategies and investment management for individuals, their families and investment management for institutional clients and sub advisory relationships. MFG employs a step-by-step process in our approach to developing investment strategies designed to meet the particular needs of our clients. For our Investment Management clients, upon completion of the personal investment plan and its acceptance by the client, MFG proactively manages the client's account. This involves the provision by MFG of regular updates and advice on the client's portfolio. During the course of any year, MFG will recommend adjustments according to the boundaries set within the client's personalized investment policy. MFG also offers ongoing performance reporting for accounts greater than \$250,000, so a client can track the progress of his or her investments. This provides another valuable tool for understanding the client's investments and recognizing when changes may or may not be appropriate.

Although MFG employs a step-by-step process to establish a particular asset allocation and wealth management strategy for each client there is risk that MFG does not completely understand the client's full situation. All investment strategies involve risk. There is risk of being too conservative or too aggressive, in other words there can be risk of lost opportunity or loss of principal.

MFG's private wealth client portfolios, institutional portfolios and sub advisory portfolios are specifically designed for the needs and objectives of those clients. Generally, the investments recommended by MFG include (but are not limited to):

- Equity Securities
- Exchange listed securities
- Securities traded over the counter
- United States Treasury Securities
- Certificates of Deposit
- Municipal Bonds rated A or better by Standard and Poor's
- Investment Grade Corporate Bonds
- Corporate debt securities (other than commercial paper)
- Publicly traded US Corporations
- American Depository Receipts of Established International Corporations
- Exchange trade funds (ETF) of the above securities
- Investment company securities/ Mutual fund shares

MFG does not, as a matter of philosophy, recommend leveraged exchange-traded funds, private placements, microcap trading, hedge funds, alternative investments, mortgage-backed securities, limited partnerships, and certain types of international securities. Furthermore, private wealth clients and institutional clients are free to restrict their portfolio from certain industries, company specific securities or asset classes upon written request. MFG does not employ short sales, margin, or option strategies as a means of increasing client returns.

While MFG limits the type of securities it recommends to clients there is still the risk of loss. Clients should be prepared that investing in securities of any kind, regardless of the number of restrictions, involves a risk of loss of principal at any point in time.

METHODS OF ANALYSIS

MFG's analysis of securities and investment vehicles and their place in client portfolios is based on fundamental analysis, as further described below. MFG screens individual equity investment candidates (i.e., such as those in US publicly traded corporations) prior to their recommendation. We obtain information used to screen and recommend specific investment recommendations from the following list, in no particular order of importance:

- Annual Reports
- Prospectuses
- Filings with the Securities and Exchange Commission
- Company press releases
- Corporate rating agencies
- Research material prepared by others
- Financial newspapers and magazines
- Government related public information
- Other sources of information not mentioned

Fundamental Analysis

MFG's fundamental analysis, whether pertaining to fixed income securities or equities, begins with an overall view of the economy, political climate, and global forces. When providing a fundamental analysis specific to investments in individual securities (fixed or equity), it involves analyzing the entity's financial statements, its management and competitive advantages, and earnings. MFG approaches its individual stock selection utilizing both bottom-up analysis and top-down analysis.

Fundamental analysis, like other forms of research, is subject to interpretation by the investment manager, and is therefore subject to error. Furthermore, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Even with the best efforts of MFG and its investment managers, there is a risk that MFG's projections may not happen and result in either a loss of investment opportunity or principal loss. Clients should understand that investing in securities of any kind, regardless of any analysis performed, involves a risk of loss of principal at any point in time.

Independent (Unaffiliated) Investment Manager Analysis

We examine the experience, expertise, investment philosophies, and past performance of Independent Unaffiliated Investment Managers and/or mutual funds managers 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 monitor underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the Manager's compliance and business enterprise risks.

A risk of investing with an Independent Investment Managers and/or mutual funds who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an Independent Investment Manager's and/or mutual fund portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for

our clients. Moreover, as we do not control the Independent Investment Manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect and we do our best to comprehensively research recommended investments, there is always a risk that our analysis may be compromised by inaccurate or misleading information that could result in loss of capital or loss of opportunity.

INVESTMENT STRATEGIES

We use the following strategy(s) in managing client accounts, provided that such strategy(s) are 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 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 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. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal. Markets can experience volatility and clients need to understand portfolio values may change significantly and there is a risk of loss.

Equity Risk. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related, and terrorism-related factors, influence the cost of equities and equity-related securities; there can be no assurance that MFG will be able to predict future price levels correctly.

Debt Securities Risk. Fixed income securities could face ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. Such securities may not be exchange-traded and trade in the over-the-counter market, which is generally less transparent and may have wider bid/ask spreads than the exchange-traded marketplace. Such instruments are dependent on the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these securities and could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Fixed-income securities may be interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the fixed income holdings may therefore depend in part on the ability to anticipate and respond

to such fluctuations on market interest rates, and to utilize appropriate strategies to maximize returns, while attempting to minimize the associated risks to investment capital.

Reliance on the Principal. The success of client investments depends in large part upon the skill, knowledge, judgment, experience, and expertise of Mr. Robert Monte to develop and implement investment strategies that achieve the account's investment objective. MFG has a business continuity plan in place should Mr. Monte be unable to continue to provide such services.

Trade Execution Risk. The client's investment and trading strategies may depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by MFG. The client's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to the client, MFG, the client's counterparties, brokers, dealers, agents, or other market participants. In such event, the client might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the client might not be able to make such adjustment. As a result, the client would not be able to achieve the market position selected by MFG, which may result in a loss.

Trade Errors. On occasion, errors may occur with respect to trades executed on behalf of the client. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account and when the wrong quantity is purchased or sold (*e.g.*, 1,000 shares instead of 10,000 shares are traded). Trade errors frequently result in losses but may, occasionally, result in gains. When a trade error results in a loss to a client account, MFG makes the client whole. When a trade error results in a gain to a client account, MFG donates the gain to charity.

Cyber Security, Other Breaches, and Identity Theft. Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. MFG's and its service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches (by physical or electronic means), usage errors by their respective users or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information. Although MFG has implemented, and service providers may implement, various measures to manage risks relating to these types of events, such systems could be inadequate and, if compromised, could become inoperable for extended periods of time, or cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm, and preventing it from being addressed appropriately. MFG may have to make a significant investment to fix or replace any inoperable or compromised systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in MFG's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to clients and the intellectual property and trade secrets of MFG. Such a failure could harm MFG's reputation, subject MFG and its affiliates (including clients) to legal claims and otherwise affect their business and financial performance.

Other Risk Factors

- No Participation in the Management of Underlying Managers or Investments.
- Conflicts with Other Clients.
- Valuation Difficulties or Errors.
- Liquidity.
- Leverage.
- Exposure to Material Non-Public Information.
- Accuracy of Public Information.
- Non-Exchange Traded Equity Securities.
- Investments in Undervalued Securities.
- Market Conditions and Volatility.

- Changes in Market Environment.
- Issuer Concentration and Diversification Risk.
- Investments in Less Established Companies

Item 9 Disciplinary Information

Neither MFG, our management or investment advisor representatives are the subject of or subject to any legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

Neither MFG nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker dealer. Furthermore, neither MFG nor any management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

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

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

Our Code of Ethics includes required review and approval of certain securities transactions and holdings by supervised persons with access to client information. 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. The Code also provides for oversight, enforcement, and recordkeeping provisions. MFG’s Code of Ethics further includes the firm’s policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. Any violations of the Code of Ethics must be promptly reported to the firm’s Chief Compliance Officer.

A copy of our Code of Ethics is available to our clients and prospective clients. You may request a copy by email sent to info@montefinancialgroup.com, or by calling us at 203-453-6851.

MFG and individuals associated with our firm are prohibited from engaging in principal transactions or agency cross transactions.

MFG and related persons may invest in the same securities (or related securities, e.g., warrants, options, or futures) that MFG or a related person recommends to clients. MFG and related persons may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that MFG or a related person buys or sells the same securities for MFG’s own (or the related person’s own) account. For instance, MFG access persons may purchase securities for their personal account that are contemporaneously recommended for clients. Access persons are prohibited from acquiring any securities in an initial public offering or limited offering without obtaining pre-clearance from the CCO (or its delegate). Access persons are also prohibited from trading in any other reportable securities without obtaining pre-clearance from the CCO (or its delegate) unless the access person is a discretionary client of MFG and the trade in question will be made in an aggregated trade order with other MFG clients in accordance with MFG’s policies and procedures for aggregating personal trades with client trades. See Item 12 above for more information on aggregated trades.

Item 12 Brokerage Practices

MFG does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

MFG generally recommends that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively referred to as “Fidelity”) as well as Charles Schwab and Company and its affiliates (collectively referred to as “Schwab”).

MFG has established a prime brokerage account relationship with Fidelity and Schwab through which we may purchase fixed income and equity products directly from third parties and maintain custody at Fidelity and Schwab. In this situation, we will select those brokers or dealers which will provide optimal services while seeking the lowest commission rates possible. The reasonableness of brokerage costs, commissions and markup/mark downs is based on the broker-dealer's ability to provide professional services, competitive execution, and other services that assist our firm in providing investment management services to our clients. Thus, for fixed income and equity transactions, MFG may request that our firm be provided with written authority to determine the broker-dealer to use for client fixed income and equity transactions and the costs that will be incurred by clients for these transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Where possible, client trades in fixed income or equity securities may be blocked with transactions for other advisory clients to achieve better pricing and commission costs. Fixed income or equity trades will be allocated on a rotational basis in the best interest of the client as set forth in MFG's policy and procedures manual.

MFG has an arrangement with Charles Schwab and Company ("Schwab") and Fidelity Brokerage Services LLC ("Fidelity") through which Fidelity and Schwab provide our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like MFG in conducting business and in serving the best interests of our clients but that may also benefit us. Generally, MFG uses these technology platforms to conduct its day-to-day business for clients.

MFG reserves the right to decline acceptance of any client account that directs the use of a broker-dealer other than Fidelity or Schwab if we believe that this choice would hinder our fiduciary duty to the client. In directing the use of Fidelity or Schwab, it should be understood that MFG will not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. Clients should note, while we have a reasonable belief that Fidelity and Schwab are able to obtain best execution and competitive prices, we will not be independently seeking best execution price capability through other broker dealers with the exception of certain fixed income transactions.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables MFG to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research, and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by MFG (within specified parameters).

In addition, Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab enables MFG to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Schwab also makes available to our firm, at no additional charge to us, certain research, and brokerage services, including research services obtained by Schwab directly from independent research companies, as selected by MFG (within specified parameters).

Among the additional benefits Schwab provides to its clients:

- Account statement(s)
- Confirmation of trades
- On-line access to accounts
- Access to certain account services

- 1099 reporting
- Various third-party research
- Thousands of mutual funds on a “no load” basis
- Independent investment news and views
- Other various services

Among the additional benefits Fidelity provides to its clients:

- Account statement(s)
- Confirmation of trades
- On-line access to accounts
- Access to certain account services
- 1099 reporting
- Various third- party research
- Thousands of mutual funds on a “no load” basis
- Independent investment news and views
- Other various services

Additionally, MFG may receive the following benefits from Fidelity and Schwab:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its Registered Investment Advisor Group 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.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity’s and/or Schwab’s services. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and Schwab and have determined that the relationship is in the best interests of MFG’s clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the commission is 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 the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while MFG will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account. MFG, Fidelity and Schwab are not affiliated. See Item 10 above for more information.

We may choose to execute trades with another broker-dealer from Fidelity or Schwab (“trade away”) if we reasonably believe that such other broker-dealer can obtain a more favorable execution under the circumstances, and it is in our clients’ best interest to do so. This practice may result in additional commissions and other fees for clients. Broker-dealers executing trades may charge fees that include commissions, markups, markdowns, or “spreads” paid to market makers. These fees are typically embedded into the price of the security and will be paid by the client.

Trade Aggregation and Allocation: MFG typically block trades where possible and when in the best interest of our clients and consistent with its managing accounts to a strategy model; however, MFG is not required to aggregate orders. For example, MFG may choose not to trade in blocks, if portfolio management decisions for different clients are made separately, if aggregating would be inconsistent with our advisory duties or, in certain cases, if determining to enter individual, separate orders would not be inconsistent with our fiduciary duty. When we trade in blocks, we distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account and is not based on account performance or the amount

or structure of management fees. MFG typically trades a block by ordering a series of small batch transactions over the course of the day with each participating account paying the average price per share for all transactions in the block series executed by that particular broker. Also, each participating account typically pays a proportionate share of all transaction costs of the executing broker, except where a client's agreement with the custodian/broker requires the client to pay transaction costs based on the number of shares traded for such client's account whether or not they are traded in a block. Accounts owned by MFG or persons associated with MFG may participate in block trading with client accounts; however, they will not be given preferential treatment.

Where MFG trades the same issuer for client accounts held at multiple brokers, MFG will rotate or vary the order of brokers through which it places trades for clients on any particular day; provided, however, if one broker holds a significantly larger position size, MFG may trade at that broker by ordering a series of small batch transactions over the course of the day and trade at the broker with the smaller position size by ordering one block in the same day. MFG does not combine multiple orders for shares of the same mutual funds purchased for advisory accounts we manage because mutual funds do not trade in blocks.

Directed Brokerage: For private wealth clients, MFG generally does not accept directed brokerage arrangements whereby the client directs MFG in writing to use a particular broker-dealer to execute some or all transactions for the client. Notwithstanding the foregoing, to the extent MFG does accept a directed brokerage arrangement for its private wealth clients or institutional clients, the client will negotiate terms and arrangements for the account with that broker-dealer and MFG will not seek better execution services or prices from other broker-dealers or be able to trade client transactions in blocks through other broker-dealers with orders for other accounts managed by MFG (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MFG may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Please Note: In the event that the client directs MFG to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through MFG. Higher transaction costs adversely impact account performance. Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Item 13 Review of Accounts

INVESTMENT MANAGEMENT SERVICES

Reviews: While the underlying securities within Investment Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. 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.

These accounts are reviewed by:

Robert J. Monte, President of MFG, Certified Private Wealth Advisor®, Retirement Management Advisor®, Chartered Advisor in Philanthropy®

Benjamin T Monte: Research Analyst, Registered Investment Advisor

Cameron J Davignon, Research Associate, Registered Investment Advisor

Account Administration: The firm's investment professionals are responsible for the particular client relationship and have the primary responsibility for determining and knowing each client's circumstances and managing the client's portfolio consistent with the client's objectives. However, certain administrative duties may be handled by non-investment personnel.

Reports: Utilizing the services of a third-party reporting company, MFG supplies quarterly performance reviews for accounts valued at \$250,000 and above. Each report shows performance data for the client sufficient to track the

performance of their account in both the short and long run. These reports are in addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer.

Generally, for accounts valued at less than \$250,000 MFG is not obligated to provide quarterly performance reports.

Reports: In addition to the monthly statements and confirmations of transactions that these clients receive from their respective broker-dealer, MFG supplies written quarterly performance reviews utilizing the services of a third-party reporting company. Each report shows performance data for the client sufficient to track the performance of their account in both the short and long run.

FINANCIAL PLANNING and CONSULTING SERVICES

Reviews: For those clients to whom MFG provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis.

Such reviews are conducted by

Robert J. Monte, President of MFG, Certified Private Wealth Advisor®, Retirement Management Advisor®, Chartered Advisor in Philanthropy®

William H. Leete, Jr., Certified Financial Planner™

Alexander R. Monte: Certified Financial Planner™, Certified Investment Management Analyst®

Financial Planning Reports: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Consulting Services Reports: These client accounts will receive reports as contracted for at the inception of the Consulting Services engagement.

Item 14 Client Referrals and Other Compensation

Currently, it is MFG’s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. Furthermore, it is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly debits Management Fees from certain 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.

Item 16 Investment Discretion

Clients may hire us to provide discretionary investment 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

Clients give us discretionary authority when they sign a discretionary Investment Management Agreement with our firm, 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.

INDEPENDENT INVESTMENT MANAGERS

MFG is also authorized to delegate the active discretionary management of all or part of the assets to one or more unaffiliated Independent Investment Managers and/or investment management programs. MFG delegates such management based upon the client's stated investment objectives. The terms and conditions under which a client may engage the Independent Investment Managers include separate fees in addition to MFG's Management Fees. Such additional fees are set forth in a separate tri-party written agreement between the client, the designated Independent Investment Manager(s) and MFG.

The Independent Investment Manager shall have limited power of attorney and trading authority over those assets MFG directs them for management and they shall be authorized to buy, sell, and trade in securities in accordance with the client's investment objectives as communicated by MFG and to give instructions in furtherance of such trading authority to the broker dealer and custodian.

Under the tri-party agreement, MFG is authorized to terminate or change Independent Investment Managers when, in our sole discretion, MFG believes such termination or change is in the client's best interest.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

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

Item 18 Financial Information

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

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