

## **Retirement Guys Formula LLC**

# The Retirement Guys Formula, LLC

1700 Woodlands Dr.  
Maumee, OH 43537  
(419) 842-0550  
(866) 442-0550  
(419) 794-7194 Fax

[www.RetirementGuysFormula.com](http://www.RetirementGuysFormula.com)

**October 11, 2023**

This brochure provides information about the qualifications and business practices of Retirement Guys Formula LLC. If you have any questions about the contents of this brochure, please contact Nolan Baker, Chief Compliance Officer at 419.842.0550. 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. Retirement Guys Formula LLC is a registered investment adviser. Registration does not imply any certain level of skill or training.

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

**Material Changes - Item 2**

Retirement Guys Formula LLC is required to disclose any material changes to this ADV Part 2A since the Firm's last annual updating amendment.

On March 29, 2023, we submitted our annual updating amendment filing for fiscal year 2022 and have no material changes to report.

We review and update our brochure at least annually to make sure that it remains current.

If you have any questions, need up-to-date information and/or need a copy of our Form ADV Part 2 Brochure, please contact us at (419) 842-0550.

**Table of Contents - Item 3**

**Contents**

|  |    |
|--|----|
| Advisory Business - Item 4 .....   | 4  |
| Fees and Compensation - Item 5 .....   | 7  |
| Performance-Based Fees and Side-By-Side Management - Item 6 .....                                    | 11 |
| Types of Clients - Item 7.....   | 11 |
| Methods of Analysis, Investment Strategies and Risk of Loss - Item 8.....                            | 11 |
| Disciplinary Information - Item 9 .....  | 20 |
| Other Financial Industry Activities or Affiliations - Item 10.....                                   | 20 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11..... | 22 |
| Brokerage Practices - Item 12 .....  | 22 |
| Review of Accounts - Item 13 .....   | 25 |
| Client Referrals and Other Compensation - Item 14 .....  | 25 |
| Custody - Item 15.....   | 25 |
| Investment Discretion - Item 16 .....  | 26 |
| Voting Client Securities - Item 17 .....   | 26 |
| Financial Information - Item 18 .....  | 26 |
| Requirements of State-Registered Advisers - Item 19.....   | 26 |
| Retirement Guys Formula LLC - Privacy Notice .....   | 27 |

#### **Advisory Business - Item 4**

Retirement Guys Formula LLC ("RGF") has been in business since August 2013. The owner of RGF is Nolan Baker. He has been in the investment industry for over 20 years.

Our firm offers services through our network of investment advisor representatives ("Advisor Representatives" or "IARs"). IARs may have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. The Client should understand that the businesses are legal entities of the IAR and not of RGF. The IARs are under the supervision of RGF, and the advisory services of the IAR are provided through RGF. RGF has the arrangement described above with the following Advisor Representatives:

Scott Osborn, Chaz Price & Nolan Baker - America's Retirement Headquarters  
Mark Clair & Ryan Clair – Bull Moose Retirement  
Terrel Eisert - Eisert Wealth Management  
Shane Galino, Michael Sullivan & Rebekah Kiger - Retire Pittsburgh

RGF provides personalized investment management and financial planning services. The firm provides financial and investment management services to individuals, trusts, foundations, endowments and corporations.

#### **Financial Planning and Consulting Services**

We offer broad based financial planning and consulting services, including tax planning, insurance planning, estate planning, disability planning, business planning, retirement planning, education planning, and budgeting and cash flow analysis. RGF strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic, and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
- Plan Design. A financial plan is prepared that includes recommendations and solutions to several financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the financial plan is conducted periodically. The financial planning service provides the option of conducting a periodic review and revision of the plan to ensure that the financial goals are achieved. The client may be required to pay an additional fee to exercise this option.

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

If you request, RGF may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendations from RGF. If you engage any professional recommended by RGF, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

#### **Investment Management**

If you wish us to manage your investment accounts, we will ask you to provide us with some information about your investment goals, so that we can place your assets in investments we believe are most likely to assist you in meeting those goals. You may also place reasonable restrictions and guidelines on the management of your assets. RGF can assist you in developing these guidelines. Each client will have a written investment profile based on their objective and risk profile to guide both you and us in the management of your assets.

Asset management services will generally be performed on a “discretionary” basis. When RGF is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are still invested as would be needed to meet your goals. If any changes are needed to your investments, we will make the changes without receiving your approval for each change. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements from your account custodian. Clients engaging RGF on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and RGF.

#### *Recommendation of Sub Advisers*

As part of our overall investment management strategy, we normally manage money internally for each client, but we may recommend sub advisers to manage all or a portion of your account. All sub advisers recommended by our firm must either be registered as investment advisers or exempt from registration requirements. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub adviser’s performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. In some cases, the sub adviser(s) will actively manage your portfolio and will assume discretionary investment authority over your account(s). The sub adviser(s) may also provide us with certain back-office support services such as report preparation, billing, and research. We will periodically monitor the sub adviser’s performance to ensure its management and investment style remains aligned with your investment goals and objectives.

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

#### **Selection of Third Party Investment Advisers**

RGF has entered into agreements with various third-party investment advisers (TPAs) for the provision of certain investment advisory services. Factors considered in the selection of a TPA include but may not be limited to: i) RGF’s preference for a particular TPA; ii) the client’s risk tolerance, goals and objectives, as well as investment

experience; iii) the TPA's management style; and, vi) the amount of client assets available for investment. In order to assist clients in the selection of a TPA, an investment adviser representative of RGF will typically gather information from the client about the client's financial situation, investment objectives, and reasonable restrictions the client wants imposed on the management of the account.

The TPA may customize the client's portfolio by blending traditional investment strategies with an allocation to asset classes. The investment strategy adopted by the TPA may embrace value, growth, or contrarian investing styles. Generally, securities transactions will be decided upon and executed by the TPA on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. RGF and its investment adviser representative will not manage, or obtain discretionary authority over the assets in accounts participating in these accounts; however, clients may grant RGF the discretionary authority to hire and fire such TPA. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a TPA.

Investment adviser representatives of RGF will periodically review reports provided to the client. RGF will contact the client at least annually, or more often as agreed upon with each client, to review the client's financial situation and objectives, communicate information to the TPA managing the account as necessary, and to assist the client in understanding and evaluating the services provided by the TPA. Clients will be expected to notify RGF of any changes in their financial situation, investment objectives, or account restrictions.

The TPA may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody, and administrative services. In a non-wrap pricing structure, the TPA's fee may be separated from the advisory fee charged by RGF. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by the TPA. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the TPA's Form ADV Part 2A Brochure; ii) the program wrap brochure (if applicable); iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the TPA's account opening documents. A copy of all relevant disclosure documents of the TPA and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

#### **Appointment as a Sub-Advisor**

We provide sub-advisory services to clients of certain investment advisers (the "primary adviser") that have signed an investment sub-advisory agreement with our firm. In these situations, the primary adviser will select one or more portfolio models/strategies developed by our firm and will invest its clients' (the "end client") assets in such models. The Primary adviser gives us discretionary authority to manage, invest and reinvest the assets held in these models. Where we have been engaged to provide advice with respect to only a part of any end client's assets, it is expressly agreed that we assume no responsibility or obligation for the diversification of the end client's investments. In addition, we will have no duty, responsibility or liability for assets that are not assigned to us for investment management services.

#### **Wrap Program**

RGF does not participate or sponsor a wrap program.

#### **Assets Under Management**

As of January 18, 2023, RGF managed \$200,948,938 in client assets, all on a discretionary basis.

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

### **Fees Charged**

#### **Financial Planning Fees**

Financial planning fees can be hourly, fixed fee basis, or included with asset management services. However, most typically, financial planning fees are \$1,000 for the first year, and \$500 for each successive year thereafter. If the client prefers to pay an hourly rate, the hourly rate is \$350 per hour. The fees stated are intended as a guideline only. Fees may be higher or lower, based on the nature of the engagement. Fees are negotiable, and will depend on the anticipated complexity of your plan.

Financial Planning fees, to the extent not included in asset management services, will be due upon invoice and, in the case of clients who have implemented their financial plan through the firm, may be debited directly from client accounts with prior permission from the client. Typically, one-half of the fee is due in advance upon execution of the Agreement, with the balance due upon invoice from RGF, which is sent at the conclusion of the following billing period. Prepayment of fees will not exceed \$1,200, unless services are rendered within six (6) months of execution of the agreement.

For stand-alone financial planning clients, part of the fee may be paid in advance. If you terminate our relationship before the completion of the financial plan, any unearned pre-paid fees will be returned to you on a pro rata basis. However, clients should note that in most financial planning engagements, a great deal of time is expended in the beginning of the engagement, during the information gathering stage and then the analysis stage, so a return of unearned fees will not be pro-rated according to days, but rather hours expended based upon advisor's \$350 hourly rate.

#### **Asset Management Fees**

Generally, Asset Management fees will range from 1.00% to 2.00% per annum. Still, fees outside this range may be negotiated, as the stated range is a general guide. Factors used to determine an asset management fee may include an account's size, investment strategy, risk profile, and platform. Platform fees and expenses normally include performance reporting, securities transactions, and other custodial services. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs. Legacy client relationships established prior to 2017 are subject to a different fee schedule and their overall fees may be higher or lower than the fees listed in this section, because fees are charged based on the investment management strategy selected for the client and not the overall account value. Fees charged by sub advisers are in addition to our fees and are clearly listed in the advisory agreement signed with the sub adviser and/or the sub adviser's Form ADV Part 2 Brochure.

Asset Management fees will generally be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter. By using the last day of the previous quarter for the upcoming quarter's fees, RGF is not taking into consideration any upcoming deposits or withdrawals, unless the withdrawal is pursuant to a termination of the relationship, in which case a pro-rata refund will be issued. For accounts billed by sub advisers or TPAs, fees may be payable monthly in arrears, based on the average daily balance of the account.

By way of example, if the annual fee is 1.25%, then each quarter we will multiply the value of your account by 1.25% then divide by 4 to calculate our fee. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to RGF.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will have access online in their client portal to a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount

of assets upon which the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee. In some cases, the sub adviser used by our firm may act as paying agent and may deduct our fee along with the sub advisory fee and forward our portion of the fee to us.

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter based on the assumption that you became a client on the date we were first able to be traded. If you terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter based on the assumption that your termination is effective the date we receive your notice. We will not manage, trade, or arrange for distributions of your assets after the date of terminations. Any assets not transferred out within 90 days of termination will be “de-linked.” This means your account will no longer be visible to RGF staff, and will become a retail account with your custodian. Once your notice of termination is received, we will refund the unearned fees to you by check.

#### Third Party Adviser (TPAs) Fees

RGF will share in the fee paid to the TPA. The management fee is disclosed in the TPA's disclosure documents. These fees may or may not be negotiable. RGF's compensation may differ depending upon the firm's individual agreement with each TPA. RGF or its investment adviser representatives have an incentive to recommend one TPA over another TPA with whom they have a less favorable compensation arrangements or other advisory programs offered by TPAs with which they have no compensation arrangements. RGF attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of RGF, which requires that employees put the interests of clients ahead of their own.

#### Sub-Advisory Services Fees (Fees payable to us when we act as a sub adviser for the primary adviser)

In addition to providing investment management services, we will also act as a payment agent for the primary adviser. Each account receiving our sub advisory services will pay our firm a total annual fee equal to 0.30% of the market value of the account. In addition to the sub-advisory fee, each account will also pay the primary adviser an annual asset-based advisory fee as set forth in the agreement between the end client and primary adviser (“Primary Advisory Fee”). The primary advisor will advise us in writing of the Primary Advisory Fee to be applied to each account. We will deduct the sub-advisory fee along with the Primary Advisory Fee from each account on a quarterly basis, in advance, based on the market value of each account as of the last trading day of the prior billing period. Fees for the initial period of services will be based on the initial market value of the account. All advisory fees will be pro-rated for partial billing periods based on the number of days services were provided by us and the primary advisor. Market value will include the value of all cash balances held in the account(s). Account valuation will be determined by the Custodian.

#### **Additional Important Information About Fees**

##### Custodial Fees

The custodian recommended by RGF offers investment advisers like our firm the option of placing their clients' custodial accounts in transaction-based or asset-based fee arrangements. Clients in asset-based fee arrangements pay a fixed annual fee that covers transactions in the account, whereas transaction-based accounts are charged a fee for each transaction in the account. However, if the custodial broker dealer has eliminated transaction fees for most types of securities, clients with transaction-based pricing models would likely pay significantly lower fees than clients in asset-based pricing models thereby potentially disadvantaging clients who pay asset-based fees where the custodial broker dealer charges no transaction fees on certain securities. Asset-based fee structures are generally better suited for actively traded accounts that would result in a large number of transactions and associated fees. An advantage of an asset-based fee structure is the possibility of trading in certain international securities, alternatives, and institutional class mutual funds without incurring a transaction fee. We have a fiduciary duty to place the client in a custodial pricing structure that is in the client's best interest. We will evaluate which pricing structure that, in our opinion, is more advantageous for the client by conducting initial and periodic



reviews of the expected trading activity in the client's account. In the vast majority of cases, transaction-based pricing will be a better fit for clients. However, where we determine that the client will have a large number of trades in securities that are charged a transaction fee, like certain international securities, alternatives, and institutional class mutual funds, we will place the client in an asset-based fee structure. Additionally, some of the sub-advisers and/or third-party advisers recommended by our firm will place the client in an asset-based fee structure because of the nature of their services. When conducting best execution reviews, we will evaluate the client's account activity to determine whether the client's existing asset based custodial pricing structure is still in the client's best interest, and if not, we will move the account to a transaction-based pricing structure.

There are a number of other fees that may be associated with your managed account. For example, expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For a complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. RGF can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

For clients with a portion of their assets managed by a third-party manager, such manager will charge a separate and additional fee for their services. In some instances, the manager will debit the account for their fee, and RGF will separately debit its fee from the client account. However, the cumulative fee paid by the Client to RGF and the third-party manager will not exceed 3.00% of the Client's assets under management.

Clients should read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

#### Negotiability of Fees

We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

#### Billing on Cash Positions

The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

#### Periods of Portfolio Inactivity

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

**ADV Delivery**

RGF will provide the Client with a copy of this Form ADV Part 2 Brochure no less than 48 hours prior to the Client entering into an agreement with the firm or at the time the Agreement is entered into. If the Form ADV Part 2 Brochure is provided at the time of entering into the Agreement, the Client will have the right to rescind the contract without penalty within 5 business days of entering into the Agreement.

**Compensation for the Sale of Securities and Insurance Products**

Mr. Baker is an indirect owner and registered representative of Peak Brokerage Services ("Peak"). Peak is wholly owned by Peak Reps LLC, and Mr. Baker owns 12.5% of Peak Reps LLC. Peak is registered as a full service, general securities broker-dealer. Peak is also a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Certain investment adviser representatives of RGF are also licensed as registered representatives of Peak.

Because of the principal's affiliation with Peak, he has a conflict of interest when recommending that clients execute trades through Peak, because he would receive compensation as a registered representative of Peak as well as potentially indirect compensation as an owner of Peak. In addition, RGF is required to pay certain fees to Peak Brokerage Services for the surveillance that Peak is required to conduct. The payment of such fees increases revenues to Peak which increases the value of Peak Brokerage Services, and therefore increases the principal's compensation indirectly.

Accordingly, clients should be aware that Mr. Baker receives additional compensation directly in his role as a registered representative of Peak, as well as in his capacity as an owner of Peak for any revenue generated from clients for Peak. Dually registered investment adviser representatives of RGF also receive compensation as a registered representative of Peak. This presents a material conflict of interest in that the principal will have an incentive to recommend that clients utilize Peak for brokerage services. The principal and RGF attempt to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase securities products through other representatives that are not affiliated with RGF or to determine not to purchase the product at all. RGF also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of RGF, which requires that employees put the interests of clients ahead of their own.

It is important to note that the information of Clients using the services of RGF will be shared with Peak for the purpose of surveilling transactions in the Clients' account(s) and for billing.

Nolan Baker and other Investment Adviser Representatives of RGF are licensed as insurance agents and can effect transactions in insurance products and earn commission based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by these dually licensed individuals. Clients of RGF are not required to purchase insurance products from the firm's dually licensed Investment Adviser Representatives and can purchase insurance products from any insurance agency and agent of their choice.

**IRA Rollover Considerations**

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we

have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

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 and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Our firm and Associated Persons do not accept performance-based fees.

#### **Types of Clients - Item 7**

RGF generally provides advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

RGF requires each account to have a minimum of \$50,000. However, RGF may waive this minimum in its discretion.

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

##### **Methods of Analysis, Investment Strategies**

At the onset of the client relationship, Retirement Guys Formula will review a client's portfolios, discuss the client's investment objectives and risk tolerance as well as any potential investment restrictions, and plan a transition for the client's assets from their current accounts to accounts managed by Retirement Guys Formula. This plan is derived from RGF's Independent Income System, which is RGF's overall approach in building out an approach for each client. The system calls for identifying different "buckets" of assets and investments with different timeframe requirements. The blending of these buckets into a total portfolio is the Independent Income System. What determines the size of each bucket is cash flow, risk tolerance (which includes client risk tolerance as well as time horizon), and cost. The Independent Income System is therefore not a strategy, but a philosophy that guides our investment allocations.

Each group of assets within a portfolio is invested in one or more of Retirement Guys Formula's asset allocation strategies (defined below) These strategies are developed utilizing outside research and investment ideas, combined with RGF's views on both individual securities and the markets and economy as a whole. All client accounts in each strategy are managed on a pari passu basis. In other words, all accounts managed within each strategy are managed in a like manner, side by side with one another, and not individually considered. Accordingly, while a client may request limitations on Retirement Guys Formula's discretionary authority, some requested limitations may not be possible to achieve within the given strategy. In this case, the client and the

firm will mutually agree to either terminate the engagement, accept the asset allocations in the strategy, or have the client's assets placed in another strategy.

The asset allocation strategy in which the client's assets are placed may change from time to time, dependent upon the client's investment objectives and financial circumstances. RGF uses several strategy models to determine which strategies are appropriate for a given client. For example, one model may be a mix of 2-3 strategies at a given time. Clients should inform Retirement Guys Formula as soon as possible of changes in their circumstances that may affect the client's risk tolerance or investment objectives, as these changes may trigger a change in how the firm manages the client's assets.

There are no limits to the types of securities that may be placed in a strategy, or that Retirement Guys Formula may evaluate for a client or for inclusion in a strategy. However, investment types most typically include stocks, bonds, exchange traded funds (ETFs), mutual funds and money market accounts.

As assets are transitioned from a client's prior advisers to Retirement Guys Formula, there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Retirement Guys Formula. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. In the event an investment in a client account is unable to be unwound for a period of time, Retirement Guys Formula will monitor the investment as part of its services to the client. Retirement Guys Formula may suggest that a given investment be moved to a separate account.

**In constructing each strategy, RGF utilizes a number of methods of analysis. These include:**

**Charting:** This method involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental:** Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical:** The technical approach attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical:** This method assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) If too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

The above methods of analysis are not necessarily employed in every strategy or for every client, and are more likely to be employed in conjunction with one another than by purely adhering to one method in a given account or strategy.

**Models:**

**Clients are placed in models in accordance with their risk scores, preferences, and investment objectives. The models used are as follows:**

- **Conservative with Kings.** This model is constructed to allow for some avenue for growth while remaining cognizant of risk tolerance and volatility. A few carefully selected positions (typically in stocks, ETF's or mutual funds) are intended to provide for the growth potential while the remainder of the portfolio is invested more with a goal of capital preservation in mind.
- **Moderate with Kings.** As with the model above, this Moderate with Kings is the risk-enhanced companion to the Conservative with Kings model. Moderate with Kings is designed to take on risk beyond the Conservative with Kings model, with all of the other aspects of the models being similar.
- **Growth with Kings.** On the higher end of the risk spectrum are growth models. The first, Growth with Kings, is the same general construction as Moderate Growth with Kings, with an even larger allocation to those positions identified by RGF as having potential for capital appreciation. Whether directly through individual stocks or indirectly through ETFs or mutual funds, the majority of this model is invested in equities. Bond allocations are possible, as is a significant cash position.
- **Iron Retirement.** The Iron Retirement Portfolios are variations on an equity allocation made up of seven low-cost, transaction-fee free Exchange Traded Funds (ETFs) that capture different segments of the global market and are individually evaluated for weekly trading. To accommodate for variety of different risk levels the strategy is paired with another low-cost ETF. This portion of the portfolio tracks the aggregate bond market in order to achieve variety of acceptable risk levels for clients. Each holding roughly tracks an index and is traded in/out of the market depending on the technical level of that individual security. This allows segments of the market that are performing well to stay invested even if certain areas are selling off.
- **Protected Equities.** The Protected Equities Series consists of a combination of fully liquid Exchange Traded Funds (ETFs) tracking various indices with option strategies which designate varying levels of downside protection (buffers) and corresponding upside potential limits (caps). The ETFs utilized are linked to an underlying index and have designated maturity months in which the options strategies contained within mature and are rolled over annually and incorporate a new buffer of the specified size and a new corresponding performance cap given the market pricing on that date. This creates a defined return profile for the ETFs used and with the ability to use ETFs which target a variety of different equity indices a diversified portfolio can be constructed with these buffer strategies. Given the differing levels of volatility at the time the ETF option strategies are rolled over the performance cap will change. An example of this would be the ETF utilizing the S&P 500 as its underlying index, current monthly offers have typical caps ranging from 6.00% - 15.00%. Due to daily market price changes of options throughout the year, the fund's option holdings are priced accordingly and may not perfectly reflect the cap and buffer on one specific date but will navigate toward its defined return profile as the maturity date specified approaches.
- **Capital Leaders** The objective of the Capital Strength portfolio is to invest in companies that maintain a strong balance sheet, and low debt, positive return on equity. The portfolio is analyzed quarterly to make sure that all the investments in the portfolio are still suitable for the stated objective, but changes can be made throughout the quarter as economic conditions change.
- **Daily Essential** The objective of the Consumer Staples portfolio is to invest in companies which make products that are generally considered to be of everyday use. Because of the lower volatility of the companies from a general standpoint relative to the market, we feel that they make a good investment for those who would like to stay in the market while taking slightly less risk than the market as a whole.
- **Capital Growth SM** The Capital Growth SM portfolio consists of 100% equity securities and is focused on aggressive growth. The model seeks to achieve this level of growth by investing in securities classified as either small or mid cap. Like the Capital Strength portfolio, Capital Growth focuses on companies with strong balance sheets. In order to qualify for inclusion in the model, companies must meet the following parameters: \$100 million in cash, less than 30% debt to equity, and greater than 15% return on equity.

These parameters serve to ensure that no companies in poor debt situations are included in the portfolio. Our investment team analyzes the companies that qualify after the filter to determine which will be included in the portfolio.

- **Eisert Circuit Breaker.** The Eisert Circuit Breaker model invests in the S&P 500 via State Street's SPY. We then trade in and out of SPY based on the 10-day simple moving average. So, if SPY is lower than its 10-day moving average, we see this as a short-term downtrend, and sell out. On the other hand, if we are out of the market, and SPY is above its moving average, we view this as a short-term uptrend and buy back in. The goal of this portfolio is to avoid large and sustained swings to the downside while also participating in the market's gains.
- **Freedom Formula.** The Freedom Formula process utilizes inputs on publicly traded equities in a mathematical algorithm which is designed to identify certain signals of financial health of a company. An example would be cash flow or return on assets. The strategy includes trigger points that require the movement of equity investments to cash or short-term bonds for risk management purposes. Because this portfolio relies almost exclusively on individual equities, this strategy is only appropriate for assets with a longer-term time horizon of at least ten years, and for clients with an ability to withstand severe market value swings for this portion of their assets. This strategy is managed directly by Camelot Portfolios LLC (please see note below with regard to Independent Third-Party Managers).

#### **Investment Strategies:**

The Retirement Guys Formula uses an investment approach called The Independent Income System when managing money. This methodology was developed by The Retirement Guys Formula. Its design calls for creating different buckets of investments designed for different time frames. The buckets are current income, reliable income, mid-term bucket, and long-term growth. Each bucket may hold one or more strategies and a client's overall combined blended bucketing approach is the Independent Income System.

Part of the Independent Income System is to understand each client's risk tolerance, both in terms of an objective standard and in terms of the client's personal preferences. We use a software program called Riskalyze as one of our tools to analyze each investment strategy offered below. Riskalyze measures risk from 0 to 100, with 100 being the highest risk level. These numbers help guide us to the right strategies for each client. At the same time, we use other factors, such as outside assets in helping determine the ultimate mix and changes for clients.

Cash Flow is a more controllable item in investing. Our philosophy is that almost all investing leads to a future or current income stream. The desired distribution rate on each strategy is to give an investor an idea as to the expected cash flow that could be generated, though there is never a guarantee that this will occur.

Cost is also an important component when it comes to investing. In general, the lower the cost the more you get to keep. At the same time, the lowest cost option may not result in the best investment approach.

RGF will continuously monitor the performance of each strategy along with the general macroeconomic landscape and happenings related to individual issuers, securities, security types, sectors, and other information. This monitoring is intended to allow for some flexibility in adhering to the formula. In some cases, the formula may indicate a "buy" or "hold" for a particular security, but other information may lead the investment team to override the formula in the interests of risk management. There is no guarantee this override will prevent all losses. From a more global portfolio construction perspective, each strategy has one or more inflection points, or "triggers" that are designed to either protect the gains that have been made or avoid losses. This "Downside Risk Management System" is not a guarantee that losses will never occur. It is, however, RGF's systematic approach to risk management, which RGF's principals believe can assist a portfolio manager in making disciplined decisions.

RGF may at any time remove one or more or add new investment strategies, depending upon the needs of clients and the opportunity set in the markets at any given time.

Additionally, part of the RGF process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. RGF attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

### **Third Party Managers**

As mentioned above, some strategies available to RGF clients are managed by Camelot Portfolios LLC. Camelot Portfolios LLC currently manages a small portion of Retirement Guys Formula client assets through one of the above strategies identified as a Camelot strategy. Camelot Portfolios LLC is not affiliated with RGF (there is no common ownership). RGF may also utilize the services of other managers when RGF deems appropriate for a client. Camelot Portfolios LLC, like other managers, is chosen based on investment performance, operations, and offerings to determine if the manager would be a fit for Retirement Guys Formula clients. This process continues on an ongoing basis, throughout the time the client works with the third party manager. It is important to note that these managers will charge a separate and additional fee, for their services. Retirement Guys Formula will consider these fees in its decision to recommend the use of a third party manager. The use of a third party manager, including Camelot Portfolios LLC, does not change the relationship between Retirement Guys Formula and the client, in that Retirement Guys Formula will still manage the overall client portfolio, adding, subtracting and modifying the allocations to different strategies and managers.

### **Risk of Loss**

There are always risks to investing. Clients should be aware that all investments carry various types of risk, including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Strategy Risk.** When investments are made through a strategy, rather than individualized investment considerations, there is always the possibility that individualized investment choices would have produced a more positive result for a client than an approach where investments are made for a group of individuals with common characteristics.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that Retirement Guys Formula may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Retirement Guys Formula endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the



less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Information Risk:** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Risks specific to sub-advisors and private placements.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Short Sales.** "Short sales" are a way to implement a trade in a security Retirement Guys Formula feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Retirement Guys Formula utilizes short sales only when the client's risk tolerances permit.
- **Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by Retirement Guys Formula is to hedge against principal risk, certain options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Retirement Guys Formula, in writing, not to employ any or all such strategies for his/her/their/its accounts. Clients participating in the Options Strategy should carefully consider all information regarding the strategy and its risks prior to participating.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount in value in order to be sold in a shorter time frame.
- **Concentration Risk.** While Retirement Guys Formula selects individual equities and bonds for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.



- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **Algorithms and Models.** When an investment manager develops a mathematical algorithm that identifies trigger points for the purpose of indicating a “buy” or “sell” signal, these trigger points are limited in that they are based on solely the data input into the algorithm. There is an unlimited amount of data that can be considered in making any given decision as to whether to buy or sell any given security. An algorithm, by design, ignores some data in favor of others. There is a risk that the data selected for the algorithm will not create a positive result, whereas other data, had it been considered, may do so.
- **Client Obligations.** RGF will be unable to provide a client with relevant advice without the collaborative process where the client keeps RGF informed of changes in their lives, goals, and financial circumstances.
- **Concentrated Position Risk.** Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio’s investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.
- **Cybersecurity Risks.** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.
- **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. It is difficult to predict the long-term impact of such events because they are

dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

- **Recommendation of Other Advisers.** In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.
- **Cryptocurrency Risk:** Cryptocurrency (e.g., bitcoin and ether), often referred to as "virtual currency", "digital currency," or "digital assets," is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm's clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm's clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client's investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and "flow-through" to the underlying investors.

- **Risks associated with Environmental, Social, and Governance (ESG) Investing:** Portfolios that are subject to certain ESG investment criteria may have to avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor.

The variability and imprecision of industry ESG definitions and terms can create confusion among investors if investment advisers and funds have not clearly and consistently articulated how they define ESG and how they use ESG-related terms, especially when offering products or services to retail investors. Additionally, actual portfolio management practices of investment advisers and funds may not be consistent with their disclosed ESG investing processes or investment goals. As a result, an adviser's or vendor's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers or vendors with respect to the same issuers. Further, ESG criteria is dependent on data and is subject to the risk that such data reported by issuers or received from third party sources may be subjective, or may be objective in principal but not verified or reliable.

**Structured Notes:** Below are some specific risks related to the structured notes recommended by our firm:

- **Complexity:** Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- **Market risk:** Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- **Issuance price and note value:** The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value

of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- **Liquidity:** The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.
- **Credit risk:** Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

#### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither RGF nor its management persons have a history of material legal or disciplinary events that are required to be reported in this section.

#### **Other Financial Industry Activities or Affiliations - Item 10**

##### **Broker Dealer**

Mr. Baker is an indirect owner and registered representative of Peak Brokerage Services ("Peak"). Peak is wholly owned by Peak Reps LLC, and Mr. Baker owns 12.5% of Peak Reps LLC. Peak is registered as a full service, general securities broker-dealer. Peak is also a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

Because of the principal's affiliation with Peak, he has a conflict of interest when recommending that clients execute trades through Peak, because he would receive compensation as a registered representative of Peak as well as potentially indirect compensation as an owner of Peak. In addition, Retirement Guys Formula is required to pay certain fees to Peak Brokerage Services for the surveillance that Peak is required to conduct. The payment of such fees may increase revenues to Peak which may increase the value of Peak Brokerage Services, and therefore increase the principal's compensation indirectly.

Accordingly, clients should be aware that the principal may receive compensation from clients directly in his role as a registered representative of Peak for any commission-based transactions, as well as in his capacity as an owner of Peak for any revenue generated from clients for Peak. This presents a material conflict of interest in that the principal will have an incentive to recommend that clients utilize Peak for brokerage services. The principals and The Retirement Guys Formula LLC attempt to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase securities products through other representatives that are not affiliated with The Retirement Guys Formula LLC or to determine not to purchase the product at all. The Retirement Guys Formula LLC also attempts to mitigate the conflict of interest

by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of The Retirement Guys Formula LLC, which requires that employees put the interests of clients ahead of their own, even when acting in a capacity as a registered representative of a broker-dealer.

**Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of RGF, nor any related persons are registered, or have 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.

**Relationship with Related Persons**

Mr. Baker is a part owner of Woodlands LLC, an entity which owns the building located at 1700 Woodlands Drive, where Retirement Guys Formula is located. Woodlands has one other owner, Darren Munn, an owner of Camelot Portfolios LLC. Camelot Portfolios LLC is also located in 1700 Woodlands Drive. In addition, Camelot Portfolios and Retirement Guys Formula share certain non-investment related expenses, all of which are connected to the operation of the building. Neither Camelot Portfolios LLC nor any principal thereof shares control with Retirement Guys Formula. Neither Retirement Guys Formula nor any principal thereof shares control of Camelot Portfolios LLC. The ownership of the building is not related to any investment decisions made on behalf of clients, but because of the co-ownership of the building and the fact that client assets are allocated to Camelot Portfolios as a third party manager, the dual relationship triggers conflict of interest. We attempt to mitigate this conflict by disclosing it in the Retirement Guys Formula's Form ADV and by reminding employees that the firm's Code of Ethics requires employees to act in the best interests of clients.

**Insurance**

Nolan Baker is the principal owner of America's Medicare Associates, a Medicare insurance agency. Additionally, Mr. Baker and other Associated Persons of our firm are licensed insurance agents in the State of Ohio and, and work with businesses and individuals seeking various insurance products, including annuities, life, accident, Medicare and health insurance. As such, these professionals may conduct insurance product transactions for Retirement Guys Formula clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in their capacities as Associated Persons of Retirement Guys Formula. Insurance products will only be sold in states where professionals of Retirement Guys Formula are separately licensed as independent insurance agents. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage Retirement Guys Formula or utilize these professionals to implement any insurance recommendations. Retirement Guys Formula attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with Retirement Guys Formula, or to determine not to purchase the insurance product at all. Retirement Guys Formula also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of Retirement Guys Formula, which requires that employees put the interests of clients ahead of their own.

**Recommendations of Other Advisers**

For clients with a portion of their assets managed by a third party manager, such manager will charge a separate and additional fee for their services. In some instances, these managers may collect their fee, and remit a portion to RGF, rather than RGF deducting its fee separately. This arrangement, while intended to be an operational convenience and not a referral fee, makes RGF a "solicitor" within the meaning of Rule 206(4)-3 of the Advisers Act. Accordingly, clients whose assets are placed with a third party manager may be required to execute a disclosure statement acknowledging that RGF will be paid a portion of the fees collected by the third party manager.

In addition, clients should be aware that this arrangement presents a conflict of interest for RGF, in that RGF will have an economic incentive to recommend managers who will have fee rates favorable to RGF's share of fees, as opposed to fee rates most beneficial to the client. RGF attempts to mitigate this risk through a review of each manager, including the value for the fees to be paid, as well as requiring every RGF associated person to acknowledge their fiduciary responsibility to clients. *Please also see response above to Item 10C with regard to Camelot Portfolios LLC.*

Prior to introducing Pennsylvania clients to another investment advisor RGF will be responsible for determining the following:

- Whether the investment advisor is registered with the Pennsylvania Securities Commission under Section 301 of the Pennsylvania Securities Act of 1972 ("1972 Act") whether the investment advisor is relying on an exclusion from the definition of investment advisor under Section 102(j) of the 1972 Act;
- Whether the investment advisor is relying on an exemption from registration under Section 302(d) of the 1972 Act; or
- If the investment advisor is registered with the Securities and Exchange Commission, and whether it has filed a Notification Filing with the Pennsylvania Securities Commission under Commission Regulation 303.015(a).

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

A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

RGF does not recommend to clients that they invest in any security in which RGF or any principal thereof has any financial interest.

On occasion, an employee of RGF may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

On occasion, an employee of RGF may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

#### **Brokerage Practices - Item 12**



**Recommendation of Broker-Dealer**

RGF does not maintain custody of client assets; though RGF may be deemed to have custody if a client grants RGF authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. RGF recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. RGF is independently owned and operated and is not affiliated with Schwab. Schwab will hold the client's assets in a brokerage account and buy and sell securities when RGF instructs them to, which RGF does in accordance with its agreement with the client. While RGF recommends that the client uses Schwab as custodian/broker, the client will decide whether to do so and will open an account with Schwab by entering into an account agreement directly with them. RGF does not open the account for the client, although RGF may assist the client in doing so. Even though the client's account is maintained at Schwab, we can still use other brokers to execute trades for the client account as described below (see "Your brokerage and custody costs").

**How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to RGF as part of our evaluation of these broker-dealers.

**Your brokerage and custody costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade, including those for structured products that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. (see "How we select brokers/custodians").

**Products and services available to us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like RGF. They provide RGF and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help RGF manage or administer our clients' accounts, while others help RGF manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to RGF. Following is a more detailed description of Schwab's support services:

*Services that benefit you.*

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that may not directly benefit you.*

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

*Services that generally benefit only us.*

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

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

**Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to RGF as part of our evaluation of these broker-dealers.

**Directed Brokerage**

The client may direct RGF in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by RGF (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, RGF may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional charges to client.

**Trade Aggregation**

While individual Client advice is provided to each account, Client trades may be executed as a block trade. RGF encourages its existing and new Clients to use Schwab. Typically, only accounts in the custody of Schwab would have the opportunity to participate in aggregated securities transactions. When appropriate, trades using Schwab will be aggregated and done in the name RGF. The executing broker will be informed that the trades are for the



account of RGF's Clients and not for RGF itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. On average, the aggregation should reduce slightly the costs of execution. RGF will not aggregate a client's order if in a particular instance RGF believes that aggregation would cause the Client's cost of execution to be increased. Schwab will be notified of the amount of each trade for each account. RGF and/or its related persons may participate in block trades with Clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that Clients will receive fair and equitable treatment.

### Review of Accounts - Item 13

All accounts will be reviewed by a senior professional on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by RGF is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from their account custodian. Additionally, all clients will receive quarterly itemized bills from RGF. Please refer to Item 15 regarding Custody.

### Client Referrals and Other Compensation - Item 14

**Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

**Compensation to Non-Advisory Personnel for Client Referrals.**

RGF has entered into solicitation agreements pursuant to which it compensates third- party intermediaries for client referrals that result in the provision of investment advisory services by RGF. RGF's cash solicitation agreements comply with pertinent SEC and State regulations. Solicitors introducing clients to RGF may receive compensation from RGF, such as a retainer, a percentage of advisory fees, a flat fee per referral and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the solicitor. These agreements may be terminated by either party from time to time. The cost of any such fees will be borne entirely by RGF and not by any affected client.

### Custody - Item 15

RGF's investment management clients' assets are held at unaffiliated qualified custodians. Although RGF does not hold these assets, it is deemed to have custody for purposes of amended Rule 206(4)-2 of the Advisors Act due to the authority granted in the investment advisory agreement to deduct its management fees directly from client accounts and in certain situations where RGF accepts standing letters of authorization from clients to transfer assets to third parties. RGF maintains safeguards in accordance with regulatory requirements regarding custody of client assets. Clients will receive statements directly from Schwab, and copies of all trade confirmations directly from their account custodian.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by RGF against the information in the statements provided directly from account custodian. Please alert us of any discrepancies.

#### **Investment Discretion - Item 16**

Asset management services will generally be performed on a “discretionary” basis. When RGF is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are still investment as would be needed to meet your goals. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging RGF on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and RGF.

#### **Voting Client Securities - Item 17**

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. RGF cannot accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. RGF cannot give clients advice on how to vote proxies. Copies of our Proxy Voting Policies are available upon request.

#### **Financial Information - Item 18**

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

#### **Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC registered.**

### **Retirement Guys Formula LLC - Privacy Notice**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

The Retirement Guys Formula LLC must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

The Retirement Guys Formula LLC strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals.