



## Item 1 - Cover Page

123 South Marengo Ave, Suite 200  
Pasadena, CA 91101

(949) 757-1799

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

March 4, 2022

This Brochure provides information about the qualifications and business practices of Retirement Wellness Group, LLC, herein after referred to as "RWG". If you have any questions about the contents of this Brochure, please contact us at 949-757-1799 and/or [info@rwg-retirement.com](mailto:info@rwg-retirement.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RWG is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about RWG also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

The purpose of this page is to inform you of material changes since the last annual update to this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Retirement Wellness Group (“RWG”) reviews and updates our brochure at least annually to confirm that it remains current. Below is a summary of the material changes RWG has made since the last annual amendment dated March 16, 2021.

RWG appointed a new Chief Compliance Officer, Warren Yee, effective January 24, 2022.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Warren Yee, Chief Compliance Officer at 949-757-1799 or [warren@bridgeadvisory.com](mailto:warren@bridgeadvisory.com). Our Brochure is also available free of charge on our web site [www.retirementwellnessgroup.com](http://www.retirementwellnessgroup.com).

Additional information about RWG is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with RWG who are registered as investment adviser representatives of RWG.

## Item 3 - Table of Contents

Item 1 - Cover Page .....	i
Item 2 - Material Changes.....	ii
Item 3 - Table of Contents .....	iii
Item 4 - Advisory Business .....	1
Item 5 - Fees and Compensation .....	6
Item 6 - Performance-Based Fees and Side-By-Side Management .....	8
Item 7 - Types of Clients .....	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9 - Disciplinary Information .....	12
Item 10 - Other Financial Industry Activities and Affiliations .....	12
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
Item 12 - Brokerage Practices .....	14
Item 13 - Review of Accounts.....	15
Item 14 - Client Referrals and Other Compensation .....	16
Item 15 - Custody .....	16
Item 16 - Investment Discretion.....	17
Item 17 - Voting Client Securities .....	17
Item 18 - Financial Information.....	17

## Item 4 - Advisory Business

### A. Describe Your Advisory Firm

Retirement Wellness Group, LLC (hereinafter "RWG" or the "firm") was established in May 2018. RWG is owned by PHC, Inc. (hereinafter "PHC") and CS Capital Management Group, Inc. (hereinafter "CS"). David R. Penniall, is the primary owner of PHC. J. Daniel Vogelzang is the owner of CS. RWG is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

This Brochure is offered to potential and existing clients to provide an understanding of the services RWG provides, potential conflicts of interest and the experience and education of certain RWG personnel. Individuals associated with RWG will be involved with providing services to its clients. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of RWG and are known as Investment Adviser Representatives ("IARs").

Please contact Warren Yee, Chief Compliance Officer, if you have any questions about this Brochure. Additional information about RWG is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for RWG is 297255.

RWG advisory business includes financial consulting services, and advisory services to retirement plans and plan participants.

### B. Describe the Types of Retirement Plan Services Offered

RWG offers the following types of services to employer-sponsored retirement plans (i.e., plan sponsors) and their participants:

- ✓ Retirement Plan Consulting Services
- ✓ Nondiscretionary Investment Advisory Services
- ✓ Discretionary Investment Management Services

Depending on the type of the Plan and the specific arrangement with the Sponsor, we may provide one or more of these services. Prior to being engaged by the Sponsor, we will provide a copy of this Form ADV Part 2 along with a copy of our Privacy Policy and Advisory Services Agreement ("Agreement") that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA") as applicable.

Generally, these services are designed to assist plan administrators (i.e., a person or person(s) designated by the employer as having discretionary authority or control over the management of the plan) meet their fiduciary obligation to administer the plan in the best interests of the participants and their beneficiaries. A description of the different types of retirement plan services offered by RWG appears below.

#### 1. Retirement Plan Consulting Services

Retirement Plan Consulting Services may only be performed so that they would not be considered "investment advice" under the Employee Retirement Income Securities Act of 1974 (ERISA).

### Administrative Support

- ✓ Assist Sponsor in reviewing objectives and options available through the plan
- ✓ Review plan committee structure and administrative policies/procedures
- ✓ Recommend participant education and communication policies under ERISA 404(c)
- ✓ Assist with development/maintenance of fiduciary audit file and document retention policies
- ✓ Deliver fiduciary training periodically or upon reasonable request
- ✓ Coordinate and reconcile participant disclosures under 404(a)(5)
- ✓ Recommend procedures for responding to participant requests

### Oversight of Relationship with Service Provider

- ✓ Assist fiduciaries with a process to select, monitor and replace service providers
- ✓ Assist fiduciaries with review of Covered Service Providers (“CSP”) and fee benchmarking
- ✓ Provide reports and/or information designed to assist fiduciaries with monitoring CSPs
- ✓ Assist with use of ERISA Spending Accounts or Plan Expense Recapture Accounts (PERA)
- ✓ Assist with preparation and review of Requests for Proposals (RFPs) and/or Information (RFI)
- ✓ Coordinate and assist with CSP replacement and conversion

### Investments

- ✓ Periodic review of investment policy in the context of plan objectives
- ✓ Assist the plan committee with monitoring investment performance
- ✓ Assist with Designated Investment Managers (DIMs) and/or third-party advice providers as necessary
- ✓ Educate plan committee members, as needed, regarding replacement of Designated Investment Alternatives (DIA) and/or Qualified Default Investment Alternatives (QDIA)

### Participant Services

Certain participant services may be sub-contracted to our affiliate, Bridge Advisory LLC (hereinafter referred to as “Bridge”) (see Item 10). Under this relationship, Bridge’s Investment Advisory Representatives provide periodic one-on-one point-in-time advice to plan participants.

- ✓ Facilitate group enrollment meetings
- ✓ Coordinate employee education regarding plan investments and fees
- ✓ Assist plan participants in understanding plan benefits, retirement readiness and impact of increasing deferrals

## 2. Non-Discretionary Investment Advisory Services

These services are designed to allow the Sponsor (or Participant) to retain full discretionary authority or control over assets of the Plan. When performing these services RWG will solely be making recommendations to the Plan Sponsor (or Participant). RWG will perform these investment advisory services to the Plan (or Participant) as a fiduciary defined under ERISA Section 3(21) and will act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

✓ Investment Policy Statement (IPS)

RWG will review with Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, RWG will provide recommendations to Sponsor to assist with establishing an IPS.

✓ Designated Investment Alternatives (DIA)

Based on the Plan's IPS, RWG will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting, monitoring and/or replacing DIAs to be offered to Plan participants.

✓ Model Asset Allocation Portfolios (Models)

Based on the Plan's IPS or other investment guidelines established by the Plan, RWG will review the DIAs available to the Plan and will make recommendations to assist Sponsor with creating, monitoring and/or replacing risk-based Models comprised solely among the Plan's DIAs.

✓ Qualified Default Investment Alternative (QDIA)

Based on the Plan's IPS or other guidelines established by the Plan, RWG will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting, monitoring and/or replacing the plan's QDIA(s).

✓ Participant Investment Advice

RWG or its affiliate, Bridge, will meet with Plan participants, periodically and upon reasonable request, to collect information necessary to identify the participant's individual investment objectives, risk tolerance, time horizon, etc. Based on each participant's Profile, Advisor will provide point-in-time recommendations to assist with the investment of his/her individual Plan account among one or more of the Plan's DIAs or Models, if available. The participant retains sole discretion over the investment of their account.

✓ Advice Regarding Investment of the Trust Fund

Based on the Plan's IPS, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting investments that meet the IPS criteria. Once Sponsor selects the investment(s), Advisor will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the investment(s). If the IPS criteria require any investment(s) to be replaced, Advisor will provide recommendations to assist Sponsor with replacing the investment(s).

3. Discretionary Investment Management Services - **Fiduciary Protection Program**™

These services are designed to allow the Plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that meet the requirements of the Employee Retirement

Income Security Act of 1974 ("ERISA"). We will perform these investment management services through our IARs and charge fees as described in this Form ADV and the Agreement. If the Plan is subject to ERISA, we will perform these services as an "investment manager" as defined under ERISA Section 3(38) and as a "fiduciary" to the Plan as defined under ERISA Section 3(21). Specifically, the Sponsor may determine that we perform the following services:

✓ Selection, Monitoring and Replacement of DIA

RWG will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which Advisor will select, monitor and replace the Plan's DIAs. Once approved by Sponsor, RWG will review the investment options available to the Plan and will select, monitor and/or replace any DIA(s) that no longer meet the IPS criteria.

✓ Creation and Maintenance of Models

RWG will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS or other documentation that contains criteria from which RWG will select, monitor and replace the Plan's Models. RWG will create a series of risk-based Models comprised solely among the Plan's DIAs; and, on a periodic basis and/or upon reasonable request, Advisor will reallocate and rebalance the Models in accordance with the IPS or other guidelines approved by Sponsor.

✓ Selection, Monitoring and Replacement of QDIA

RWG will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS or other guidelines that contains criteria from which RWG will select, monitor and replace the Plan's QDIA(s). Once Sponsor confirms the Plan's desired QDIA type, RWG will select, monitor and replace the QDIA(s) in accordance with the IPS or other guidelines approved by Sponsor.

✓ Management of Trust Fund

Advisor will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which Advisor will select, monitor and replace the Plan's investments. Once approved by Sponsor, Advisor will review the investment options available to the Plan and will select the Plan's investments in accordance with the criteria set forth in the IPS. On a periodic basis, Advisor will monitor and evaluate the investments and replace any investment(s) that no longer meet the IPS criteria.

C. Potential Additional Retirement Services Provided Outside of the Agreement

In providing Retirement Plan Services, RWG or its affiliates and their IARs may establish a client relationship with one or more Plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

1. as a result of a decision by the Plan participant or beneficiary to purchase services from RWG or its affiliates not involving the use of Plan assets;

2. as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the Plan; or
3. through a rollover of an Individual Retirement Account ("IRA Rollover").

If RWG is providing Retirement Plan Services to a plan, IARs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement. If a Plan participant or beneficiary desires to affect an IRA Rollover from the Plan to an account advised or managed by RWG or its affiliates, IARs will have a conflict of interest if his/her fees are reasonably expected to be higher than those paid to RWG or its affiliates in connection with the Retirement Plan Services. IARs will disclose relevant information about the applicable fees charged by RWG or its affiliates prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the Plan participant or beneficiary alone.

In providing these optional services, we may offer employers and employees information on other financial and retirement products or services offered by RWG or its affiliates and our IARs.

When we provide non-discretionary investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Securities Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The receipt of our advisory fee for making a recommendation creates a conflict of interest under ERISA/IRC with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. For example, if we recommend that you rollover assets from one retirement account to another and we will receive increased compensation as a result of that recommendation, we have a conflict that requires us to operate under this special rule.

#### D. General Information about Retirement Plan Services Provided to Retirement Plans and Participants

Advisory services provided to retirement plans and their participants may be solely provided by Investment Advisory Representatives of RWG or in combination with Affiliates and other third parties (e.g., third-party administrators and recordkeepers). RWG shall never have custody of any client funds or securities, as the services of an independent qualified custodian will be used for these asset management services.

The services provided to any retirement plan sponsor may vary based on plan type (i.e., participant-directed or trustee-directed plan), plan features (i.e., automatic enrollment of participants) and the specific needs of the plan sponsor, participants and their beneficiaries.

#### E. Individually Tailored Services

When providing investment fiduciary services, we will tailor our advice or (if applicable) discretion to meet the investment policies or other written guidelines adopted by the Sponsor. When providing Participant Investment Advice, such advice will be based upon the investment objectives, risk tolerance and investment time horizon of each individual Plan participant.

#### F. Assets Under Advisement

As of 12/31/2021, RWG serves as a pension consultant with respect to assets of plans having an aggregate value of \$524,385,743.

Included in this total are \$167,578,778 assets under management (AUM) which represents plans which we act as a 3(38) advisor.

Assets under advisement, which include plans where we only serve in a 3(21) capacity are \$356,806,965.

## Item 5 - Fees and Compensation

### A. How RWG is Compensated

RWG is compensated pursuant to an agreed upon fee schedule included in each retirement plan advisory agreement signed by the plan sponsor. The type and amount of the fees charged to the client are negotiable and are generally based on the following factors:

- ✓ scope of services to be provided, including whether the services are considered to be consulting or fiduciary in nature
- ✓ size and complexity of the plan
- ✓ number of plan participants
- ✓ location of the plan participants
- ✓ estimated number of meetings required
- ✓ other factors that may be deemed relevant by RWG when negotiating with the client

An estimate of the total cost will be determined at the start of the advisory relationship. Fees are negotiated with the plan sponsor in advance of signing the advisory agreement. Generally, RWG is compensated in one of the following ways:

- ✓ Assets Under Management

Under this method, the fees paid to RWG will be determined by reference to the value of plan assets held in custody by the plan's custodian. Generally, RWG charges an annualized fee of up to 1.00% of the plan assets for the retirement plan services described above with a minimum annual fee of \$6,000 for 3(21) fiduciary services and \$10,000 for 3(38) investment management services. Asset based fees are generally collected in one of the following ways:

- Quarterly in Advance
- Quarterly in Arrears
- Determined according to policies of plan's recordkeeper

When fees are determined on a quarterly basis (whether in advance or arrears), the fees will be based on the value of the Account as of the close of business on the last day of the most recent calendar quarter. Unless we agree otherwise, no adjustments or refunds will be made in respect of any period for (i) appreciation or depreciation in the value of the Plan account during that period or (ii) any partial withdrawal of assets from the account during that period.

- ✓ Flat Fee

RWG may charge a flat fee that will generally not exceed 1.00% of the plan's assets unless there are special circumstances warranting a higher fee. The type and amount of the fees charged to the client are negotiable. In some instances, fixed fees may be subject to an annual cost of living adjustment of up to 3%. Flat fees are generally collected in one of the following ways:

- Flat fees for ongoing services fees are billed quarterly based on a schedule included in the signed advisory agreement with the plan sponsor.
- Flat fees for one-time projects may be charged an initial deposit with the balance due upon completion of the project.

Under no circumstance will RWG require prepayment of a fee more than six months in advance and in excess of \$1200.

#### B. How Fees are Paid to RWG

The manner in which fees are paid to RWG can occur in either of the following ways:

- ✓ Third Party Authorized to Pay RWG Directly

Under this method, the plan sponsor will authorize a third party (generally the plan's recordkeeper) to pay RWG for services from the plan assets.

- ✓ Invoice Plan Sponsor Directly

Under this method, RWG will invoice the plan sponsor directly. The plan sponsor pays the invoice from its general assets. Under this method plan assets are not used to pay the invoice.

- ✓ Invoice Third Party Directly

Under this method, the plan sponsor will authorize a third party (generally the plan's recordkeeper) to pay RWG for services upon receipt of invoice.

#### C. Other Fees or Expenses Plan Sponsors May Pay in Connection with Advisory Services

The Plan may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to:

- ✓ custodial fees
- ✓ brokerage commissions
- ✓ transaction fees
- ✓ charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Plan, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses)
- ✓ certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Service providers to the retirement plan (e.g., recordkeeper, third party administrator, broker-dealers, platform providers, investment advisors, etc.) are required to provide retirement plan sponsors with a Fee

Disclosure Notice pursuant to ERISA Rule 408(b)(2). This Fee Disclosure notice will provide the plan sponsor with information including, but not limited to, services provided to the plan and the compensation received for those services.

While not necessarily related to the Retirement Plan Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. We might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or provide publications that may further IARs and employees' skills and knowledge. Some may occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

The advisory agreement between RWG and the plan sponsor serves as the Fee Disclosure Notice from RWG.

RWG and their Investment Advisor Representatives do not receive additional compensation beyond fees agreed upon with the plan Sponsor and included in the signed advisory agreement.

#### D. How Fees Paid in Advance are Refunded

The plan sponsor may terminate the advisory agreement with RWG within five (5) business days of executing this Agreement without incurring a penalty or charge. Otherwise, either party may terminate this Agreement upon thirty (30) days prior written notice to the other party. Upon termination of the advisory agreement, RWG will be entitled to a pro-rata amount of compensation. Any unearned fees paid in advance will be refunded. Upon termination, RWG will have no further obligation to act or advise Sponsor with respect to the Services except as agreed to by the parties at the time of termination.

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

RWG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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

Our Retirement Plan Services are available to clients that are sponsors or other fiduciaries to plans, including but not limited to 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant-directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA.

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

#### A. Methods of Analysis and Investment Strategies

RWG utilizes various methods of analysis in formulating its advice to retirement plans. RWG employs a defined process for each step in the investment management cycle. This includes ongoing selection, implementation and monitoring. For each client RWG will develop a detailed investment policy statement that rigorously defines the investment policies by which investments will be managed.

RWG carefully selects its investments by beginning with an investment performance evaluation and screen of a broad universe of mutual funds, sub-advised funds, collective investment funds, and stable value funds (collectively, "Funds."). The primary database utilized by RWG is the FirmPlus database which consists of data obtained from Morningstar as well as data provided directly by plan providers. For actively managed funds, RWG has developed a ranking system based on ten factors that are evaluated and aggregated for a total score. Once candidates are screened, those meeting the criteria are evaluated to determine suitability for each client. RWG typically selects Funds based on their investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and holdings. However, if a plan investment line-up is limited we may use Funds that would not otherwise meet our criteria to ensure there is an adequate number of investment options available to participants. Investing in securities involves risk of loss that clients should be prepared to bear.

Alternate methods of analysis are conducted on passively constructed funds, index-based funds, risk-based funds, target-date funds and stable value funds due to their unique characteristics.

**Index Based Funds** – Index based funds are not included in the investment scoring criteria that is outlined above. A separate analysis is performed to determine which Funds are most appropriate for each plan depending on the demographics of plan participants, availability of options on the plan's platform and the current investment environment.

**Risk Based Asset Allocation Funds** - Risk Based Asset Allocation Funds are monitored as part of the investment scoring criteria. A separate supplemental analysis highlighting several suites of Risk Based Asset Allocation Funds is also prepared on a quarterly basis. The analysis includes metrics such as performance, risk and expenses and is presented in a way that the different suites of funds can be easily compared to each other. Subjective data specifying the methodology, investment process and management team of each fund is also included in the analysis.

**Socially Responsible (SRI) Funds** – The same scoring criteria outlined above is used for SRI Funds, however SRI Funds are only compared to other SRI Funds. As a result, a passing score for SRI Funds may be different from those Funds analyzed above.

**Target Date Funds** - Target Date Funds are not included in the investment scoring criteria. The investment team uses a separate analysis to monitor each suite of target date funds. The analysis incorporates an analyst report that is prepared by a third-party investment group. The analysis also includes subjective data outlining the methodology, investment process and management teams for each suite of target date funds.

**Money Market Funds & Stable Value Funds** - Money market and stable value funds are not included in the investment scoring criteria that is outlined above. A separate analysis is performed to determine which cash equivalent investment option is most appropriate for each plan depending on the demographics of plan participants, availability of options on the plan's platform and the current investment environment.

### **Model Portfolios**

RWG's Model Portfolios will be based on internal analysis, research reports and analysis, and other third-party technology-based tools to analyze the performance of mutual funds. Representatives of RWG may also utilize computer software programs provided by such third-party advisers in providing this advice to clients.

RWG uses commercial software packages such as Morningstar in offering advisory services to its clients. Investing in securities involves risk of loss that clients should be prepared to bear.

The Investment Committee determines the overall asset allocation of each asset class within a portfolio. These allocations may be underweight or overweight their respective strategic allocations based upon the current recommendations of the Investment Committee.

The determination of individual investments for each asset class is generally based upon several criteria including, but not limited to, investment process, a risk-based metric (typically standard deviation), a performance-based metric (rate of return) plus certain qualitative factors of the investment vehicles. These critical components allow the Portfolio Manager and Investment Committee to focus on the relationship between risk and reward.

#### B. Investment Strategies/Monitoring/Reporting

The ongoing monitoring of the model portfolios involves a rigorous and disciplined process. Performance is tracked and analyzed regularly. In addition, a formal attribution analysis is prepared and reviewed on a regular basis. This analysis decomposes the performance of the portfolios into the following three levels:

**Portfolio Level** - On a portfolio level, the performance of each model portfolio is compared to the performance of the respective benchmark portfolio.

**Asset Class Level** - On an asset class level, an analysis is performed to determine out-performance or under-performance versus a relevant benchmark.

**Investment Level** - On an investment level, the performance of each holding is compared to its benchmark as identified within the portfolio.

The purpose of this formal analysis is to determine the degree of out-performance or under-performance that is attributed to each level of portfolio management. It helps determine why the portfolios differed from their respective benchmarks and allows the Portfolio Manager and Investment Committee to target where additional research needs to be performed. Based upon the results of this analysis, the Portfolio Manager and the Investment Committee decide whether to modify broad asset class allocations or tactically change specific asset classes.

As a result of the ongoing monitoring of the portfolios and consistent revision of an economic perspective, changes to the allocations or individual holdings may be deemed necessary. The execution of such changes will be performed by the Investment Operations Team across all portfolios.

#### C. Material Risks

Investing in securities involves a significant risk of loss. RWG's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Investors should be aware that there may be a loss or depreciation to the value of each investment, which investor should be prepared to bear. There can be no assurance that the investor's investment objectives will be obtained and no inference to the contrary should be made.

Some of the risks associated with investing in securities and funds recommended by RWG that clients should be aware of include, but are not limited, to the following:

- Allocation Risk: the risk that a portfolio could lose money as a result of less than optimal or poor asset allocation decisions as to how its assets are allocated or reallocated.
  - Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
  - Market Risk: The price of a stock, bond, mutual fund or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
  - Credit Risk: The risk that a portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.
  - High Yield Risk: High yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit and liquidity risks.
  - Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
  - Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
  - Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. Generally, business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others unsystemic. That is, every company has the business risk that the broader economy will perform poorly and therefore that sales will be poor, and also the risk that the market simply will not like its products.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Derivatives Risk: This is the risk of investing in derivative instruments, including liquidity, interest rates, market, credit and management risks, mispricing or improper valuations. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index and the investment could lose more than the principal amount invested.
- Foreign Investment Risk: Investments in foreign securities may be riskier than U.S. investments because of factors such as, unstable international, political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory taxation or nationalization of companies by foreign governments, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting standards, political or economic factors that may severely limit business activities, and legal systems or market Practices that may permit inequitable

treatment of minority and/or non-domestic investors. Investments in emerging markets may involve these and other significant risks such as less mature economic structures and less developed and more thinly-traded securities markets.

## **Item 9 - Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of RWG or the integrity of RWG's management. RWG and its management personnel have no legal or material disciplinary events applicable to this Item.

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

RWG is owned by PHC Inc. and CS Capital Management Group, Inc. ("CS").

Affiliated entities under common ownership of PHC include Bridge Advisory LLC; Addwealth LLC; and Penniall Management, LLC. PHC also owns a minority interest in The Accountancy, LLP. David Penniall is the majority owner of PHC.

Affiliated entities under common ownership of CS include M Advisory Group (aka Cal-Surance Benefit Plans, Inc.). J. Daniel Vogelzang is the owner of CS.

PHC is the majority owner of Bridge Advisory LLC (hereinafter referred to as "Bridge"). Bridge is an investment adviser registered with the Securities & Exchange Commission. Bridge is a wealth management firm that offers financial planning and investment management services. RWG shares investment research with Bridge but any potential conflicts of interest are mitigated by the fact that both Bridge and RWG invest exclusively in similar open-end mutual funds or the equivalent security type offered in a 401k plan. RWG also sub-contracts certain participant education services to Bridge.

PHC owns 50% of Addwealth, LLC ("Addwealth"). Addwealth is an RIA registered with the State of California. Addwealth is an affiliate of RWG and acts as a referral source for RWG whereby RWG will share a portion of fees with Addwealth for such referrals. The sharing of fees does not increase the fees RWG charges for advisory services.

Penniall Management, LLC, is a licensed insurance agency which transacts group and individual insurance plans as well as employee benefits and annuities. Insurance activities are also conducted under the name Penniall Insurance Services.

The Accountancy, LLP ("The Accountancy") is engaged in the practice of accountancy, taxation, and business consulting as certified public accountants. The Accountancy will refer clients to RWG and receive compensation for doing via Addwealth (see Item 14).

PHC owns a non-controlling interest in AWM Capital, LLC ("AWM"). AWM is an RIA registered with the SEC.

M Advisory Group specializes in the development, design, implementation and administration of corporate sponsored executive benefit packages that utilize insurance solutions as a risk-management technique.

## Registered Representatives of Unaffiliated Broker-Dealer

J. Daniel Vogelzang is the owner of CS Capital Management Group, Inc. Mr. Vogelzang offers retail brokerage and insurance services through his affiliation as a registered representative with M Holdings Securities, Inc. (“MHS”). MHS is a registered broker-dealer and a member of the Financial Industry Regulation Authority (“FINRA”) and is not affiliated with RWG. Brokerage and insurance products offered through MHS may include stocks, bonds, mutual funds, ETFs, 529 plans, retirement plans, other investments and various insurance products. Mr. Vogelzang may receive compensation, commissions and/or trailing 12b-1 fees from MHS for services provided to M Advisory’s clients. Should RWG advisory clients implement recommendations through Mr. Vogelzang, he may receive commissions or other transaction-based compensation in addition to the advisory fees RWG receives. This presents a conflict of interest because Mr. Vogelzang may have an incentive to influence RWG to recommend MHS for executing securities transactions or insurance placements for which he receives additional compensation. Commissions paid through MHS may be higher or lower than at other broker-dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at MHS than at other broker-dealers. Clients are under no obligation to act on any recommendations of Mr. Vogelzang or place any transactions through him or through MHS if they decide to follow his recommendations.

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

RWG or individuals associated with the firm may buy or sell for their personal account(s) investment products identical to those recommended to clients. In addition, a related person may have a position in a certain security or securities which may also be recommended to the clients.

In some instances, these situations may create either actual or perceived conflicts of interest. As such, RWG has established the following restrictions:

A director, officer or IAR shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with RWG, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients.

RWG and its employees may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the firm's Compliance Officer.

RWG respects the right of clients to specify investment objectives, guidelines, and/or conditions/restrictions on the overall management of their accounts.

Records are maintained of all securities bought or sold by the firm, associated persons of the firm and related entities. A principal of RWG, or a qualified representative of the firm, reviews these records on a quarterly basis.

RWG requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory Practices.

Any individual not in observance of the above may be subject to termination.

The full text of the Firm's Code of Ethics is available to you upon request.

In accordance with Section 204-A of the Investment Advisers Act of 1940, RWG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the firm or any person associated with RWG.

It is RWG's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. RWG will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

**Privacy Policies** - The firm views protecting its customer's private information as a top priority and, pursuant to the requirements of the federal Gramm Leach Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

The firm does not disclose any non-public information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client's account, the firm may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers. The firm may also share client information where the client is receiving services from entities with which RWG has a referral relationship (see *Item 14*).

The firm restricts internal access to nonpublic personal information about the client to those associated persons of the firm who need access to that information in order to provide services to the client. It is the firm's policy to never sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the customer or as required by law.

RWG's clients or prospective clients may request a copy of the firm's Privacy Policies by contacting Warren Yee, [warren@bridgeadvisory.com](mailto:warren@bridgeadvisory.com).

## Item 12 - Brokerage Practices

**The Custodian, Recordkeepers and Brokers We Use:** Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank or recordkeeper. We recommend that our clients use a certain custodian or recordkeeper based on a number of factors including but not limited to size of the account, type of account and number of participants. We are independently owned and operated and not affiliated with and custodian or recordkeeper. While we recommend that you use a certain custodian or recordkeeper, you will decide whether to do so and open your account by entering into an account agreement directly with them. We do not open the account for you. Even though your account may be maintained at a certain custodian, we can still use other brokers to execute trades for your account, as described below.

Although RWG does not have the authority to determine the broker or dealer used in executing client transactions without obtaining specific client consent, certain programs that RWG sponsors do require the use of certain

brokers to execute transactions. There is no requirement that a client use such broker as RWG recommends, however, by directing brokerage you may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money. Additionally, RWG reserves the right to not accept a client account if the client wishes to select a broker or dealer other than what is recommended.

**How We Select Custodians/Recordkeepers/Brokers:** We seek to recommend a custodian/broker or recordkeeper who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Availability of investment research and tools that assist in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us”)

**Products and Services Available to Us:** There is no direct link between RWG’s recommendation of a particular custodian and the investment advice it gives to its clients, although RWG receives economic benefits that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to RWG by third party vendors. Certain custodians may also pay for business consulting and professional services received by RWG’s related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for RWG personnel to attend conferences or meetings relating to a custodians custody, recordkeeping and brokerage services. Some of the products and services made available may benefit RWG but may not benefit its client accounts. These products or services may assist us in managing and administering our client accounts. Other services made available are intended to help us manage and further develop the business enterprise. The benefits received by RWG or its personnel do not depend on the amount of brokerage transactions directed. Clients should be aware, however, that the receipt of economic benefits by RWG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence RWG’s recommendation for custody and brokerage services.

## Item 13 - Review of Accounts

### Account Reviews

We will contact you at least once a year to review our Retirement Plan Services. It is important that you discuss any changes in the Plan's demographic information, investment goals, and objectives with your IAR. Plans may receive written reports directly from their IAR based upon the services being provided, including any reports evaluating the performance of Plan investment manager(s) or investments.

Unusual economic, industry or individual investment developments may trigger a review. Changes in a client's situation, such as investment goals, financial position, marriage, divorce, death, change in employment, birth of a child, retirement, etc. may also trigger the need for additional reviews.

### **Account Reporting**

All clients receive statements from their recordkeepers or custodians on either a monthly or quarterly basis. These reports will show the current market values and transactions during the past month or quarter as well as interest, dividends and capital gains for the reporting period. RWG generally provides retirement plan clients with investment monitoring reports on a quarterly basis. Annual fee benchmarking reports are provided upon request or as needed.

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

At times RWG refers clients to its affiliated adviser, Bridge Advisory LLC, Penniall Management Company, The Accountancy or M Advisory Group or unaffiliated professionals for a variety of services, and in turn, these professionals may refer clients to RWG. RWG does not receive monetary compensation based on referrals to these affiliates or to any unaffiliated providers. RWG only refers clients to professionals it believes are competent and qualified in their field; however, it is ultimately the client's responsibility to evaluate the provider. Clients are under no obligation to purchase any products or services through these professionals, and RWG has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by RWG. RWG does not share information with an unaffiliated provider unless first authorized by the client.

RWG compensates affiliated (described in Item 10) and other unaffiliated persons or organizations for client referrals. In each of those cases, we enter into an agreement with the referral agent and pay the agent a portion of the Fees. At the time that the agent refers the Sponsor to us, the referral agent discloses to the Sponsor both the arrangement with us and the compensation to be received by the referral agent. RWG does not charge solicited clients fees greater than what is charged to clients not introduced by a third party for similar services, subject to any fee negotiations described in Item 5 Fees and Compensation.

## **Item 15 - Custody**

RWG will not serve as a custodian for Plan assets in connection with the Retirement Plan Services. Sponsor is responsible for selecting the custodian for Plan assets. We may be listed as the contact for the Plan account held at an investment sponsor or custodian. Sponsor for the Plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. We recommend that Sponsor reviews the statements and reports received directly from the custodian or investment sponsor.

## **Item 16 - Investment Discretion**

When providing Retirement Plan Services described herein, we may exercise discretionary authority or control over the investments specified in the Agreement. We perform these services to the Plan as a fiduciary under ERISA Section 3(21) and investment manager under ERISA Section 3(38). We are legally required to act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. This discretionary authority is specifically granted to us by Sponsor, as specified in the Agreement (see also, Item 4 above).

When providing non-ERISA Retirement Plan Services, RWG usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Clients grant RWG discretionary authority in the contracts they sign. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, RWG observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to RWG in writing.

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

We have no authority or responsibility to vote any security held by the Plan or the related proxies. That authority is reserved by the Sponsor or trustee of the Plan.

## **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about RWG's financial condition. RWG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.