

## Pensionmark Financial Group, LLC

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March 30, 2024

This Brochure provides information about the qualifications and business practices of Pensionmark Financial Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (888) 201-5488 or email [compliance@pensionmark.com](mailto:compliance@pensionmark.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.

Pensionmark Financial Group, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Pensionmark Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

(Please see page 12 for Pensionmark's Privacy Policy)

## Item 2 – Material Changes

The Firm has no material changes to report since our last annual brochure dated March 31, 2023; however, we have made the following changes and clarifications within the Brochure:

- Clarification of services offered and associated fees; and
- Minor typographical changes throughout; and
- Updates to affiliations in Item 10

Each year, we will provide each client with (i) a free updated Brochure that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how clients may obtain the brochure.

Our Brochure may be requested by contacting us toll-free at (888) 201-5488 or by sending an email to [compliance@pensionmark.com](mailto:compliance@pensionmark.com).

Additional information about Pensionmark Financial Group, LLC is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with Pensionmark Financial Group, LLC who are registered, or are required to be registered, as investment adviser representatives of Pensionmark Financial Group, LLC.

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#### **Item 4 – Advisory Business**

Pensionmark Financial Group, LLC (“Pensionmark” or “Adviser”) was established in March 2015. Pensionmark is a wholly owned subsidiary of WIA Holdings, LLC. Pensionmark is an Investment Adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940.

In addition to the Programs described in this Brochure, Pensionmark also offers a wrap fee program, which is disclosed in a separate Wrap Fee Brochure. This wrap program includes portfolio management services including mutual funds and exchange traded funds (ETFs), along with high quality individual fixed income and equity securities.

In a wrap fee program, clients are charged an all-inclusive wrap fee on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. A portion of these fees will be paid to Pensionmark for advisory services. In a non-wrap fee program, Pensionmark’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, technology platforms, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to Pensionmark’s fee, and Pensionmark shall not receive any portion of these commissions, fees, and costs.

As of December 31, 2023, the Firm had \$14,663,109,964 in discretionary assets under management and \$23,096,654,363 in non-discretionary assets under management.

#### Pensionmark Wealth

Pensionmark provides advisory services through its Wealth Program, giving continuous advice based on the client’s individual needs. Through personal discussions in which goals and objectives based upon the client’s personal objectives are established, the firm will typically develop a personal investment policy based upon the Client Profile and manage the portfolio according to the criteria. Through its advisory as portfolio manager program, Pensionmark advisors can deliver customized portfolio solutions through their access to online tools that streamline the process of managing client accounts, including rebalancing and liquidity tools, client-level security restrictions, trading tools, alerts, and integrated reporting functions.

#### Third-Party Money Management

Pensionmark has access to a wide range of non-affiliated investment advisors (“third-party money managers”) via the Envestnet ENV2 platform to offer asset allocation and asset management services to Pensionmark advisory clients. Each IAR shall assist their client in formulating a strategic investment portfolio based on the client’s investment objectives. Once formulated, if appropriate for the client, a suitable third-party money manager is selected to implement and continually manage the portfolio. In preparing the portfolio, each IAR may set restrictions or limitations on the management of the account and will explain to the client the continual account activity transacted by the third-party money manager. Also, Pensionmark will periodically review the current and historical performance record of each third-party money manager.

Pensionmark has also entered into additional agreements with various non-affiliated investment advisors (“third-party money managers”) not available on the Envestnet platform to offer asset allocation and asset management services to Pensionmark advisory clients. In the same way as mentioned above, each IAR shall assist their client in formulating a strategic investment portfolio based on the client’s investment objectives. Once formulated, a suitable third-party money manager is selected to implement and

continually manage the portfolio. In preparing the portfolio, each IAR may set restrictions or limitations on the management of the account and will explain to the client the continual account activity transacted by the third-party money manager. Also, Pensionmark will periodically review the current and historical performance record of each third-party money manager.

The relationship of Pensionmark with any third-party money manager will be clearly communicated to all clients in the third-party money manager's Client Services Agreement and/or other similar documentation. Each third-party money manager is required to provide Pensionmark and the IAR with a disclosure document statement, typically a copy of their Form ADV 2A. The third-party money manager's Form ADV 2A will be provided to the client by IAR.

Additionally, Pensionmark advisors may recommend the use of WealthPath models to Clients. These models are managed by WealthPath Advisors, LLC. WealthPath advisors are registered as investment advisor representatives of Pensionmark. When offered to their own clients, there are no additional fees; however, when offered to the clients of other advisors (including other Pensionmark advisors), a portion of the total advisory fee charged is paid to WealthPath in exchange for their investment management services. Although the fee paid by the Client is not impacted, Pensionmark receives additional remuneration when WealthPath is selected as the manager of the Clients' assets because WealthPath is not an outsourced third-party money manager. Pensionmark's fiduciary responsibility is to always choose the manager or portfolio that is in the best interest of the client. Additionally, Pensionmark does not promote the exclusive use of WealthPath as a third-party money manager alternative.

#### Reasonable Restrictions

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should not be sold if held in the account. If a client's instructions are unreasonable or an investment advisor representative believes that the instructions are inappropriate for the client, Pensionmark will notify the client that, unless the instructions are modified, it may cancel the instructions in the client's account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

#### Financial Planning & Analysis

As an extension of its wealth advisory services, Pensionmark may provide advice in the form of a Financial Plan. Clients may receive a written plan, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives. In general, the plan will address any or all of the following:

- Personal: Family records, budgeting, personal liability, estate information and financial goals
- Tax and Cash Flow: Income tax, spending analysis and planning for past and future years.
- Death and Disability: Cash needs at death, income needs of surviving dependents, estate planning
- Retirement: Strategies and investment plans to help client achieve their retirement goals
- Investments: Analysis of investment alternatives and their effect on a client's portfolio.

Information on clients will be gathered through in-depth personal interviews and review of personal financial information. Gathering data concerning current financial status, future requirements, risk appetite and goals is essential. In some instances, this information may be incorporated into eMoney or another technology solution offering a goals-based approach to financial planning and analysis.

Pensionmark may work with other professionals such as attorneys, Certified Public Accountants, trust officers, Mortgage Analysts etc., to offer financial and estate planning advice. Pensionmark specializes in the areas of investment, finance, estate, risk management, retirement, and business continuation planning. The financial management process begins with an in-depth evaluation of the client's current financial goals and objectives. Once overall objectives have been established, the Advisor will focus on the client's specific goals.

#### eMoney

In addition to the aforementioned services, Pensionmark offers investment data storage and periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Pensionmark (the "Excluded Assets"). Should the client utilize these reporting services, the client acknowledges and understands that with respect to the Excluded Assets, Pensionmark's service is limited to reporting and data storage services only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, Pensionmark will not be responsible for the investment performance of the Excluded Assets. If the client requests Pensionmark to provide investment management services with respect to the Excluded Assets, the client may engage Pensionmark to do so for a separate and additional fee.

### **Item 5 – Fees and Compensation**

#### Pensionmark Wealth

The specific manner in which fees are charged by the Firm is established in a client's written agreement ("Agreement"). Fees, for accounts custodied at Schwab, are generally based on a percentage of assets under management as of the last day in the previous month, calculated at an annual rate and billed monthly in advance based on the number of days in that particular month. If the account is custodied at Fidelity the fees are generally based on a percentage of assets under management as of the last day in the previous month, calculated at an annual rate, divided by 12 and billed monthly in advance. In some instances, other methodologies for calculations of fees (i.e., fees payable in arrears or on a quarterly basis) may be employed and will be specifically outlined in the client's Agreement. Pensionmark IARs may also use a custodian other than Schwab or Fidelity, which will be made clear to the client prior to any accounts being opened. Maximum fees are based on the assets in the account per the schedule below and in some instances, may be negotiated. Pensionmark may also engage with clients under a flat-fee structure; however, the fees assessed will not exceed the percentage fees outlined below.

#### **FEE SCHEDULE**

<b>Gross Market Value</b>	<b>Maximum Annual Fee</b>
0-\$500,000	3.00%
\$500,001 – \$1,000,000	2.75%
\$1,000,001 – \$2,000,000	2.50%
\$2,000,001 - \$5,000,000	2.25%
Over \$5,000,001	2.00%

The firm, in its sole discretion, may waive or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

If a client's Agreement becomes effective as of a day other than the first day of a billing period or if a termination of a client's Agreement is effective on a day other than the last day of a billing period, the

Fees for that billing period shall be prorated (calculated on a per diem basis) and the applicable amount promptly paid by Client to Pensionmark or refunded by Pensionmark to Client, as the case may be. Fees will be deducted from the account directly unless the Client requests to be billed separately. Generally, no further proration is done for additions or withdrawals made during the fee period.

#### Financial Planning

Pensionmark may charge a fixed agreed upon rate or an hourly rate for any agreed upon financial planning work. This rate may vary depending on the requested task; however, client will be provided an estimate in advance. In some instances, clients may elect to engage in ongoing financial planning for which an ongoing fee will be charged. In these instances, the client will be notified in advance of the cost of the ongoing financial planning, and details about the recurring fee will be specifically outlined in the client's Agreement.

Financial planning fees will be charged at an agreed upon fixed fee, generally ranging from \$1,000 to \$5,000, or on an hourly basis, generally ranging from \$100 to \$275 per hour, depending on the nature and complexity of each client's circumstances. In certain instances, financial planning fees may exceed these rates, typically in cases of highly complex circumstances. The firm may also, in its sole discretion, waive or charge a lesser financial planning fee based upon certain criteria (e.g., historical relationship, anticipated future earning capacity, anticipated future additional assets, related accounts, negotiations with clients, etc.). When charging an hourly financial planning fee, an estimate for the total hours will be determined at the start of the advisory relationship. Up to 50% of the estimated fee may be due upon signing the Agreement, with the balance (based on actual hours) due upon presentation of the plan to the client. Typically, the financial plan will be presented to the client within 90 days of the contract date, provided that all of the relevant information needed to prepare the financial plan has been promptly provided by the client. The client may terminate its arrangement at any time, in writing, and will be refunded a portion of the fee based upon a pro-rated calculation related to the time and expense expended by the firm.

#### General Fee Information

The advisory fees and transaction charges do not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. In addition, each mutual fund or third-party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm. The fees charged by such funds or managers are disclosed in each fund's prospectus or Manager's ADV Part 2A. Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. The Management Fee also does not cover custodial fees and charges in connection with debit balances; margin interest; odd-lot differentials; IRA fees; transfer taxes; exchange fees; wire transfers; extensions; non-sufficient funds; mailgrams; legal transfers; bank wires; postage; costs associated with exchanging foreign currencies; and SEC fees or other fees or taxes required by law.

Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. Some mutual funds within this program pay 12(b)-1 service fees (normally 0.25% per year) to the Custodian. For certain ERISA accounts, 12b-1 fees in whole or in part are credited back to the account to offset fees charged. The mutual funds the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. Typically, Pensionmark does not recommend mutual funds that charge 12(b)-1 fees when other share classes are available. However, there are instances in which Pensionmark would recommend a mutual fund that carries a 12(b)-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower-cost class share may not be available to Pensionmark due to investment minimums, or the chosen custodian may make available certain funds

which do not carry a transaction fee. Pensionmark does not receive any part of the fees charged by Mutual Funds, and as a fiduciary to your account, will select the most appropriate fund share class.

In addition to the fees outlined above, a separate fee of up to 0.05% (5 basis points) may be levied by Envestnet or Tamarac, the firm's technology platforms used for billing and reporting ("platform fee"). This fee may be levied in addition to the advisory fee assessed for investment management services and is not billed as a separate line item. The annual Envestnet/Tamarac platform fee will not exceed 0.05% or a \$100.00 minimum annual fee, prorated monthly, whichever is greater. Accordingly, a client might pay an effective rate greater than the rate specified in the fee schedule on their Advisory Agreement. The \$100.00 fee resets annually based on the month the account was originally opened. In the event a third-party money manager is implemented in a client portfolio, the annual Envestnet/Tamarac platform fee will not exceed 0.15% or a \$150.00 minimum annual fee, prorated monthly, whichever is greater. This fee may be reduced based on the amount of investable assets and is in addition to the advisory fee assessed by Pensionmark and the third-party asset manager for investment management services.

Although Pensionmark believes its fees are reasonable in light of the services provided, clients should be aware that such fees may be more or less than the fees and commissions associated with investment advisory and brokerage services purchased separately. The comparison is dependent upon several factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an Advisory Account with Pensionmark. Transaction fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

Clients have the option to purchase investment products that Pensionmark and its IARs recommend through other brokers or agents that are not affiliated with Pensionmark.

#### Account Termination

Client and/or the firm may initiate termination of the contract, with or without cause, upon not less than 30 days' prior written notice provided to the other party. The contract termination will be effective on the date specified in the notice, provided it is at least 30 days after the other party's receipt of such. Pensionmark does not charge a fee for terminating the contract, but the custodian may charge a termination fee.

Upon written receipt of notice to terminate its client Agreement, and unless specific transfer instructions are received, Pensionmark and its representative(s) will cease advisory services. Should the client provide specific instructions to liquidate, Pensionmark will proceed with liquidation of the client's account in an orderly and efficient manner. There will not be a charge by Pensionmark for such redemption; however, the client should be aware that certain securities impose redemption fees as stated in each company's prospectus. Additionally, custodians may assess additional redemption fees for short-term liquidations. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade



will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory services and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Pensionmark and its representative(s) are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

Pensionmark 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**

Pensionmark provides advisory services to Individuals and Retirement Plans including, 401(k) Plans, 403(b) Plans, pensions and profit-sharing plans, non-qualified plans, foundations, endowments, corporations, or other businesses not listed above. For Wealth Clients, Adviser generally does not require a minimum account size, but may impose a minimum annual consulting fee.

Certain third-party money managers may require a higher minimum account size as disclosed in the individual manager's Firm Brochure. Under certain circumstances, the minimum may be waived, including related accounts that may be combined to meet the minimum if the services involved may otherwise be provided.

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

Pensionmark's investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds, fixed income securities and third-party money managers, if appropriate. Should the client's risk profile and/or objectives change during the advisory relationship, the client must notify the advisor accordingly.

Investment recommendations are based on an analysis of the client's individual needs and are drawn from research and analysis. Security analysis methods may include the following:

- **Fundamental analysis:** Pensionmark attempts to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- **Technical analysis and charting:** Pensionmark attempts to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change direction at any time and past performance is not a guarantee of future performance.
- **Cyclical analysis:** Pensionmark attempts to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases, and/or corporate ratings services.

It is important to note that investing in securities involves a risk that clients should be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Pensionmark's investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of Pensionmark or the integrity of Pensionmark's management. Pensionmark has no information applicable to this Item.

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

Pensionmark is a wholly owned subsidiary of WIA Holdings, LLC. Under the common control of WIA Holdings, LLC, Pensionmark is affiliated with Goldman Sachs & Co., LLC, a FINRA broker-dealer (Member SIPC) and SEC Registered Investment Adviser, Pensionmark Securities, LLC ("PSC") and TFS Securities, LLC, FINRA broker-dealers (Members SIPC), TFS Advisory Services, Wealth Advisory Group, Inc., and Financial Planning Concepts of America, Inc., all SEC Registered Investment Advisers. Pensionmark is also affiliated with World Insurance Associates, LLC, Scotts American, LLC, Keating, LLC, ESA Associates, LLC, FastComp, LLC, Hamond Safety Management, LLC, Pacific Coast NCA Premium Finance, LLC, and World Insurance Programs, LLC, all insurance agencies engaging in Life, Health, Long Term Care, Variable, and various other Insurance business.

Pensionmark is also affiliated with other financial services companies, but does not have any shared business dealings, operations, referral programs, clients, representatives, or premises with these other

companies, and has no reason to believe the firm's relationship with them otherwise creates a conflict of interest with Pensionmark clients. A full list of Pensionmark's affiliates will be provided upon request.

Investment Adviser Representatives ("IARs") of Pensionmark may effect securities transactions for Clients as registered representatives of Pensionmark Securities, LLC ("PSC"), St. Bernard Securities, LLC ("St. Bernard"), or Osaic Wealth, Inc. ("Osaic"), all FINRA broker-dealers. Pensionmark is affiliated with PSC through the common control and ownership by WIA Holdings, LLC. Pensionmark has no affiliation with St. Bernard or Osaic. Advisors that are registered representatives of these firms may recommend either of the two firms with whom they are registered for broker-dealers services. Factors for such a recommendation may be when transaction compensation is seen as a benefit to the client. For broker-dealer services, PSC, St. Bernard, Osaic, or their associated persons may receive compensation, which is separate and distinct from compensation related to investment advisory services. Commissions paid to advisors for broker-dealer services may be higher or lower than those paid by other brokers.

All FINRA, SEC, and other regulatory agencies disclosure requirements and policies are observed for all transactions. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

One Pensionmark Advisor is also registered as an Advisor with Icon Wealth Partners, LLC. ("IWP"). This Advisor utilizes IWP for their individual wealth clients, and only utilizes Pensionmark for their Retirement plan business. Adviser Representatives ("IARs") of Pensionmark may also be registered as IARs of Acrisure Investment Advisory Solutions, LLC ("Acrisure"). However, these IARs do not effect any transactions through Acrisure. One Pensionmark Advisor is also registered as an Advisor with Nexus338, an advisory firm providing technology-based retirement plan managed account services to non-Pensionmark clients. Pensionmark is not affiliated with IWP, Acrisure, or Nexus338.

Investment Adviser Representatives ("IARs") of the Adviser may also be licensed as insurance agents with Pensionmark Securities, LLC, an insurance agency engaging in Variable Insurance business. Limited non-variable products may also be offered through the insurance agency.

Individuals may also write Insurance business through Pensionmark Partners Insurance Services, LLC ("PPIS") as independent insurance agents. PPIS is affiliated with Pensionmark through common control and ownership. PPIS is an insurance producer group engaging in Life, Health, Long Term Care and Variable Insurance business. Variable insurance products will be offered exclusively through PSC, while non-variable products will be offered directly with an insurance carrier through the producer group contracts. Compensation will be paid directly by these entities.

Individuals licensed as Registered Representatives or Insurance Agents may spend as much as 50% of their time on these non-advisory activities. When a client's Advisor is acting in their capacities as registered representatives or independent insurance agents, clients will be charged separately from their advisory services. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Pensionmark.

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

Pensionmark has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All

supervised persons at Pensionmark must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of Pensionmark may buy or sell securities that are recommended to clients. Pensionmark's employees and persons associated with Pensionmark are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Pensionmark and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Pensionmark's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Pensionmark will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Pensionmark's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Pensionmark and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or about the same time. Generally, this would pose a conflict if the Advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an Advisors account or related persons account on the same day as a client unless the client gets the better price.

Trades may be done on an aggregated basis when consistent with Pensionmark's obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will share commission costs equally and receive securities at a total average price. Pensionmark will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Pensionmark's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Pensionmark at (888) 201-5488 or by sending an email to [compliance@pensionmark.com](mailto:compliance@pensionmark.com).

#### **Item 12 – Brokerage Practices**

Pensionmark generally recommends that clients establish brokerage accounts with Charles Schwab & Co., Fidelity Institutional Wealth Services, or Pershing Advisory Services ("Schwab", "Fidelity", "Pershing", or collectively, "the Custodian(s)"), FINRA registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. In some instances, Pensionmark may recommend clients establish brokerage accounts with other custodians. We recommend the services of the Custodian based on several factors including financial strength, reputation, execution, pricing, responsiveness, fees, research, and other services. Although Pensionmark may recommend that clients establish accounts at the Custodian, it is the client's decision to custody assets with the Custodian.

Pensionmark does not direct brokerage to a particular venue for execution, but rather relies on the Custodian (with the exception of bond trades that may be directed to a third party available to Pensionmark through the Custodian's Platforms). Fees and commissions charged by the Custodian may be higher or lower than obtainable elsewhere. Circumstances occasionally arise when the Custodian must impose a separate or special handling or custodial charge for acting as custodian for an exempt security

or private placement that was recommended by Pensionmark to a Pensionmark Advisory Client. On a case-by-case basis, Pensionmark may cover the cost of this type of fee on a “value-added” basis by having the fee directly billed to Pensionmark rather than the Client or by reimbursing the Client. Pensionmark is independently owned and operated and not affiliated with any Custodian.

Custodians may make products and services available to Pensionmark that benefit Pensionmark but may not directly benefit its clients’ accounts. Many of these products and services are used to service all or a substantial number of Pensionmark accounts. Some of these products and services provided include software and other technology that provides access to client account data (such as trade confirmations and account statements); provides research, pricing, and other market data; facilitates payment of fees from clients’ accounts; and assists with back-office functions, recordkeeping, and client reporting.

Pensionmark clients can benefit when trades are aggregated to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. When consistent with Pensionmark’s duty to obtain best execution, multiple client transactions will be aggregated into a single order in order to obtain the best price for clients. In such circumstances, the accounts will share commission costs equally and receive securities at a total average price. Pensionmark will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order. Trade aggregation will typically be done at the branch level.

For third party money managers Pensionmark recommends, Pensionmark does not direct brokerage in these accounts. Brokerage practices of separately managed accounts are disclosed separately in their Brochure(s).

### **Item 13 – Review of Accounts**

Accounts are assigned to IARs who are responsible for performing periodic reviews and consulting with the respective client. Accounts are reviewed no less than annually by the Advisor. Factors that are considered during such reviews include, but are not limited to, the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact Client’s account would be the following: performance that is not in line with the client’s “downside risk tolerance,” change in investment objective, the client making a significant addition or withdrawal of capital from the account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position(s) that could lead to volatility, etc. Accounts may also be subject to a secondary review by a designated supervisor. Such supervisory reviews will be done on a periodic basis. The supervisor will oversee the selected accounts for the same triggering factors as mentioned above.

Advisor has the ability to provide performance reports for assets under advisement through the Envestnet and Tamarac data aggregation and portfolio reporting tools. For data aggregation purposes, these reports may include information for assets managed by the Advisor for both commissionable and fee-based accounts.

The client agrees to inform the firm in writing of any material changes to the information included in the Client Profile or any other change in the client’s financial circumstances that might affect the manner in which client’s assets should be invested. Clients may contact the firm during normal business hours to consult with the firm concerning the management of the client’s account(s).

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

Pensionmark, in some instances, may compensate third-party promoters for Client referrals. For a promoter to be compensated by Pensionmark for referring a Client to Pensionmark, the promoter must be engaged by Pensionmark under a Promoter or Referral Agreement (“Agreement”) in compliance with Section 206(4)-1 of the Investment Advisers Act of 1940. In general, a promoter is compensated by a percentage of the advisory fee collected for a limited period specified in the Agreement. The Client pays no additional fee for the referral over and above Pensionmark’s quoted advisory fee; on the contrary, the fee the Adviser earns is reduced by the amount of the compensation to the promoter. A Client who is referred by a promoter will receive the promoter’s separate Disclosure Statement describing the nature of the arrangement in detail.

Clients may request details regarding a particular Agreement by contacting us toll-free at (888) 679-6067 or by emailing [compliance@pensionmark.com](mailto:compliance@pensionmark.com).

Certain mutual fund companies, recordkeepers, or other third parties (“Third Parties”) will periodically sponsor educational seminars for participating financial advisors designed to facilitate and promote professional development and product knowledge. To encourage participation, Third Parties will cover travel-related expenses for certain advisors to attend these meetings. Such expense reimbursements are only permissible by Pensionmark when pre-approved, and after review of the agenda and estimated costs. Pensionmark will not approve expense reimbursements by the Third Parties for travel unless the travel expenses appear reasonable and customary; lavish expenses will not be approved. Pensionmark Advisors do not base recommendations on the expectation of such conference and travel.

In addition, Pensionmark or its Advisors may host events where Third Parties “sponsor” a specific portion of the event, e.g., the cost of a dinner. Pensionmark Advisors do not base recommendations on the expectation of such event sponsorship.

#### **Item 15 – Custody**

Clients should receive statements at least quarterly from the selected qualified Custodian that holds and maintains client’s investment assets. Pensionmark urges clients to carefully review such statements and compare the official custodial records to the account statements that Pensionmark may provide. Pensionmark’s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

Pensionmark typically acts in a discretionary capacity for its Wealth Clients but may act in a non-discretionary capacity. Discretionary authority provides the Pensionmark Advisor with the authority to determine, without obtaining specific Client consent, both the securities to be bought and sold in their accounts as well as the dollar amount/quantity of securities to be bought and sold.

If discretionary authority is granted to select the identity and amount of securities to be bought or sold, clients must authorize such discretion in writing in the advisory agreement. In all cases, 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, Pensionmark observes the investment policies, limitations, and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Pensionmark in writing.

Pensionmark may recommend third party money managers. When acting in a discretionary capacity, the firm can evaluate managers and may switch money managers or reallocate assets among managers without consulting the client. When acting in a non-discretionary capacity, the Advisor will make

recommendations, but only the client has the authority to hire or switch money managers or reallocate assets between programs. In all cases, the Advisor will monitor the performance of the third-party money manager and will make recommendations consistent with the client's investment objectives and risk tolerance.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Pensionmark does not vote proxies on behalf of Pensionmark Wealth advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients should contact their financial advisor if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

Clients can authorize third-party investment managers to vote proxy requests on their behalf in their client agreements. Please refer to the respective investment manager's Form ADV for a full disclosure of its proxy voting policies and procedures.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required to provide certain financial information or disclosures about their financial condition. Pensionmark has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of any bankruptcy proceedings.

#### **Privacy Policy**

Pensionmark Financial Group, LLC ("Pensionmark") recognizes that its Clients have an expectation that Pensionmark and its affiliates will maintain the confidentiality of Clients' nonpublic personal information. Consequently, Pensionmark has adopted this Privacy Policy concerning information obtained during the servicing of Client's account(s).

**Nonpublic Information:** Nonpublic information obtained by Pensionmark for purposes of providing services hereunder will not be furnished to third parties for any other purpose other than in furtherance of the services to be provided hereunder. Notwithstanding the foregoing, Pensionmark may disclose nonpublic information (i) to the extent such disclosure is required by court order or by a valid order of a governmental body governmental or quasi-governmental agency (such as FINRA) (ii) after the time of disclosure such information becomes part of the public knowledge or literature, not as a result of any inaction or action of Pensionmark, (iii) reasonably necessary for Pensionmark to enforce its legal rights in any dispute with that Client; or (iv) is approved by Client, in writing, for release. Pensionmark does not disclose nonpublic personal information about its Clients to any party except as permitted by law.

**Sources of Personal Information:** Pensionmark collects Personal Information about its Clients from meetings with Clients and on applications or other forms Clients have submitted to Pensionmark, as well as information about Clients' investments or transactions with Pensionmark or others (such as third-party service providers or fund companies) from other sources.

**How Pensionmark Protects the Confidentiality of Clients' Nonpublic Personal Information:** Pensionmark does not sell or trade Clients' information with nonaffiliated companies. When information is provided to third party service providers, safeguards are in place to assure that information is used only for the purpose it is provided. Pensionmark maintains its records on secured computers. Prospective employees

are screened for criminal convictions. Once hired, employees are made aware of Pensionmark's Privacy Policy and of the confidential nature of the information they handle. Employees are limited to accessing only that customer information that is necessary to perform their job functions.

**To Whom This Policy Applies:** This Notice applies to all Pensionmark Clients who enter into an Advisory Services Agreement or Customer Agreement with Pensionmark. For Former Clients: Pensionmark's Privacy Policy continues to apply even to Clients that have terminated services with the firm.

**Internet Cookies:** An internet "cookie" is a small amount of data that is placed on to your electronic device by a website and stored in your internet browser. Cookies allow websites to store things like preferences, so that it can recognize users when returning to the site and respond appropriately. When individuals access the Pensionmark.com website, Pensionmark makes use of cookies to improve the load times and functionality of the website, and in some cases registration pages. Pensionmark may from time to time also utilize data tracking software to assist in spotting trends and areas of improvement on the website. By accessing the Pensionmark.com site and embedded web pages, users are providing their express approval allowing Pensionmark to utilize these technologies to improve services provided. Pensionmark may also use various third-party cookies to report usage statistics of the service, or to authenticate users and prevent fraudulent access of user accounts.

**Access to and Correction of Information:** Upon the written request of Clients, Pensionmark will make available for review any file that may be maintained for their personal Information; provided, however, that any Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If Clients notify Pensionmark that any Information is incorrect, the information will be reviewed. If Pensionmark agrees the information is incorrect, records will be corrected. If Pensionmark disagrees, Clients may submit a short statement of dispute, which will be included in any future disclosure of the disputed Information.

**Additional California Privacy Disclosures:** Please consult the supplemental *Pensionmark Privacy Notice for California Residents* for additional disclosures pertinent to California residents.

**Further Information:** Pensionmark reserves the right to change this Privacy Policy at any time. The examples contained within this Privacy Policy are illustrations and are not intended to be exclusive. This Policy attempts to comply with federal and state regulations regarding privacy. Clients may have additional rights under other foreign or domestic laws that may apply to them.

If the financial advisor servicing a client account leaves Pensionmark to join another firm, the advisor is permitted to retain copies of client information so that he/she can assist with the transfer of the client account and continue to serve the client at their new firm.

**"Opting Out" of Third-Party Disclosures:** If a client does not want a financial advisor to retain copies of client sensitive information when he/she leaves Pensionmark to join another firm, the client may contact the Pensionmark Compliance Department by calling (888) 201-5488 or by sending an email to [compliance@pensionmark.com](mailto:compliance@pensionmark.com) to request further information regarding this policy.