

PINNACLE INVESTMENTS, LLC

Part 2A Appendix 1 of Form ADV:  
Wrap-Fee Program Brochure

February 23, 2023

Pinnacle Investments, LLC.

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SEC File Number: 801-67860  
CRD Number: 142910

This brochure provides information about the qualifications and business practices of Pinnacle Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (315) 251-1101 and/or [compliance@pinnacleinvestments.com](mailto:compliance@pinnacleinvestments.com).

Current copies of this brochure are available online at:  
[www.pinnacleinvestments.com/about-pinnacle-investments/disclosures-links](http://www.pinnacleinvestments.com/about-pinnacle-investments/disclosures-links)

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.

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

We are dually registered with FINRA and the SEC, although registration does not imply a certain level of skill or training.

## **Item 2: Material Changes**

There have been no material changes since the last amendment Wrap-Fee brochure in 2022.

## **Item 3: Table of Contents**

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#### **Item 4: Services, Fees and Compensation**

Pinnacle Investments, LLC ("Pinnacle Investments") is a dually registered Broker-Dealer ("BD") and Registered Investment Adviser ("RIA").

Pinnacle Investments is a member firm of FINRA and SIPC. We were founded in the year 1995 and are organized as a limited liability company under the laws of New York State. Our fiscal year ends in the month of December each year.

Pinnacle Investments is 100% owned by Pinnacle Holding Company, LLC which is organized as a limited liability company. There are no individual owners of 25% or more of Pinnacle Holding Company, LLC. FKAPI, Inc., a domestic entity, owns 25% or more of Pinnacle Holding Company, LLC.

Pinnacle Investments in conjunction with our Investment Advisor Representatives ("Pinnacle IAR") offers the following advisory services: financial planning, portfolio management for individuals and/or small businesses, selection of other advisers, investment advisory service, and investment advice through consultation not included in aforementioned services.

#### **Mutual Funds and Exchange-Traded Funds in Advisory Programs**

Mutual fund companies typically offer multiple share classes of each of their mutual funds with varying levels of fees and expenses. Mutual funds or share classes offered through our advisory Programs are not necessarily the least expensive. Investing in mutual funds will generally be more expensive than other investment options available in your advisory account, such as ETFs. In addition to the Program fee, you will also bear a proportionate share of each fund's expenses, including investment management fees that are paid to the fund's investment adviser. These expenses are an additional expense to you and not covered by the Program fee; rather, they are embedded in the price of the fund. You should carefully consider these underlying expenses, in addition to the Program fees, when considering any advisory Program and the total compensation we receive. Other funds and share classes may have different charges, fees, and expenses, which may be lower than the charges, fees, and expenses of the funds and share classes made available in the Program. An investor who holds a less-expensive share class of a fund will pay lower fees over time - and earn higher investment returns - than an investor who holds a more expensive share class of the same fund.

Pinnacle Investments may use some or all of the following factors when determining if a wrap-fee program is in the best interest of the client including trading activity, custody fees, portfolio management and client service fees. Pinnacle Investments pays portfolio managers up to 100% of the Wrap-fee paid by clients.

#### **Wrap-Fee Programs Offered:**

**Pinnacle Investments offers clients the following Wrap Fee ("Wrap-Fee") Programs:**

##### **Ascend**

Pinnacle Investments has entered into an agreement with Betterment, LLC to utilize its platform for our Ascend program. The Ascend program is designed to help investors achieve their goals by providing broad diversification and automatic rebalancing combined with ongoing advice from a Pinnacle Investments' IAR. Accounts are managed on a discretionary basis.

**Standard Fees:** Fees for Ascend are only offered on a wrap-fee basis, covering all of our execution, consulting and custodial services as well as each Manager's fee for their services. Fees for our Ascend program vary depending on the service model. Annualized fees range from 0.25% to 1.5% if a Pinnacle Investments adviser representative is involved with investment management services. These rates may be negotiated based on account size and level of service required. Betterment, LLC receives 0.25% for the use of their platform. The portion of the fee above 0.25% is retained by Pinnacle Investments. In addition, ETFs have fees associated with them that you will pay above and beyond the stated contract rate you sign. These fees are embedded within the price of the ETF. Please refer to the prospectus for specific fees associated with a given ETF. Fees are billed quarterly in arrears. Fees are calculated beginning one day before the end of the prior quarter and the accrual of fees ends two days prior to the end of the current quarter.

**Account Requirements:** There is no minimum requirement for account size to participate in the Ascend program. The program is intended for use by retail clients.

### **Wells Fargo Advisors Programs**

Pinnacle Investments has entered into an agreement with Wells Fargo Advisors ("WFA"), pursuant to which WFA provides advisory and/or other services ("WFA Programs". Clients of investment advisory accounts described herein are clients of Pinnacle Investments. Pinnacle Investments is not related to or affiliated with WFA or Wells Fargo Clearing Services, LLC (the "Clearing Agent"). Unless otherwise specified, Clearing Agent will maintain custody of client assets. Clearing Agent qualifies as a "qualified custodian" as described by Rule 206(4)-2 of the Investment Advisers Act. WFA and Clearing Agent each reserves the right to reject and not provide services to any client or with respect to any client account for any reason.

WFA provides advisory and other services to Pinnacle Investments with respect to the following WFA Programs: 1) Personalized Unified Managed Account (Personalized UMA), 2) FundSource, and 3) Customized Portfolio. Please review the appropriate WFA Disclosure Documents for a complete description of each program.

WFA does not provide advisory services to Pinnacle Investments with respect to 1) Private Investment Management ("PIM"), 2) Asset Advisor and 3) CustomChoice. While Pinnacle Investments is the sponsor of these advisory programs, WFA provides certain non-advisory services which enable Pinnacle Investments to offer these programs.

The Pinnacle IAR may receive compensation as a result of the Client's participation in the program. The amount of this compensation may be more than what the Client may receive if the Client participated in Pinnacle's other programs or paid separately for investment advice, brokerage, and other services. The Pinnacle IAR, therefore, may have a financial incentive to recommend the wrap fee program over other programs or services.

### **Personalized Unified Managed Account (Personalized (UMA)**

The Personalized UMA is a unified managed account that offers access to a variety of investment strategies on a single wealth management platform. Unified Managed Accounts (UMAs) allow you to combine mutual funds, exchanged-traded funds (ETFs), separately managed accounts (SMAs), annuities and Wells Fargo Investment Institute's professionally managed blends into one comprehensive account, which may be customized in an effort to meet your investment goals.

**Masters:** In the case of Masters, Pinnacle Investments will assist each Client in reviewing the Client's investment objectives, including any restraints designated with respect to securities to be invested in the Client's Account(s), and in selecting among a universe of WFA affiliated and unaffiliated investment advisors that WFA shall provide to Pinnacle Investments. The investment advisors in such universe (the "Masters Managers"), including investment advisors that are or subsequently become affiliates of WFA, are evaluated by WFA and meet WFA's minimum quantitative and qualitative research criteria. In certain cases, the Masters Managers will manage Client Accounts on a discretionary basis. In other cases, WFA will manage the Account on a discretionary basis based on advice provided to WFA by various investment advisors ("Model Managers") as to the securities and other investments to be purchased and sold for a particular strategy. WFA will generally implement the Model Manager's recommendations without change, subject to any reasonable restrictions the Client may impose. WFA or the Masters Manager, as applicable, will handle the day-to-day investment management of the Account, in whole or in part, in accordance with the Client's stated investment objectives and will buy, sell or otherwise trade and settle securities or other investments for Client's Account without discussing these transactions with the Client in advance. Where investment discretion has been allocated to the Master's Manager, WFA will not be responsible for any decision made by the Masters Manager as to the day-to-day management of the Account.

WFA may, in its investment discretion, add or remove Masters Managers from the universe provided to Pinnacle. WFA or FCLLC will notify Pinnacle Investments prior to adding or removing a Masters Manager from the universe it provides to Pinnacle Investments. Pinnacle Investments will be responsible for communicating these changes to Clients and giving WFA direction if the Client does not want to accept the changes being implemented by WFA. In

any event, the Masters Manager that is being removed from the universe will no longer be available through the Program to Pinnacle Investments.

Direct Managed Accounts (“DMA”): In the case of DMA, Pinnacle Investments will assist each Client in reviewing Client’s investment objectives, including any restraints designated with respect to securities to be invested in the Client’s Account, and in selecting among several Optimal Blends which are target allocations developed by WFA comprised of strategies of certain WFA affiliated and unaffiliated investment advisers (including WFA) (“DMA Managers”), mutual funds and/or ETFs. Pinnacle Investments may also assist Clients in creating a Customized Blend and target allocation by selecting from the list of available of DMA Managers, mutual funds, and/or ETFs. Mutual funds and/or ETFs may be selected individually or as a strategy (known as “Completion Sleeve”) within a Customized Blend or may also be included as part of an Optimal Blend.

In certain cases, the DMA Managers will manage Client Accounts on a discretionary basis. In other cases, WFA will manage a portion of Client’s Account (“Sub-Account”) on a discretionary basis based on advice provided to WFA by various investment advisers (“Model Managers”) as to the securities and other investments to be purchased and sold for a particular investment strategy. WFA will generally implement the Model Manager’s recommendations without change, subject to any reasonable restrictions the Client may impose. The DMA Manager responsible for the selected strategy will handle the day-to-day investment management of the Account, in whole or in part, in accordance with Client’s stated investment objectives and will buy, sell or otherwise trade and settle securities or other investments for the Account without discussing these transactions with the Client in advance. Where investment discretion has been allocated to the DMA Manager other than WFA (“Discretionary Manager”), WFA will not be responsible for any decision made by the DMA Manager as to the day-to-day management of the Account. Manager Profiles associated with the selected investment strategy will indicate whether the DMA Manager is acting as a Discretionary Manager or Model Manager. WFA or FCLLC will notify Pinnacle Investments prior to adding, removing or replacing Discretionary Managers, or mutual funds, or otherwise changing an Optimal Blend, and Pinnacle Investments will be responsible for communicating these changes to Clients and giving WFA direction if the Client does not want to accept the changes being implemented by WFA. The mutual fund allocation will be managed by Pinnacle in a separate Sub-Account.

Wells Fargo Compass Advisory: In the case of Wells Fargo Compass advisory, Pinnacle Investments and the applicable Wells Fargo Compass portfolio manager(s) will, based upon the information contained in the applicable Client’s Questionnaire and based upon model investment portfolios designed for a specific investor that WFA shall provide to Pinnacle Investments, invest and reinvest for each Client, on a discretionary basis without contacting the Client for prior approval, securities and/or cash that the Client may from time to time deposit in the Client’s Account.

Allocation Advisors: In the case of allocation Advisors, Pinnacle Investments and the applicable WFA Allocation Advisors portfolio manager(s) will, based upon the information contained in the applicable Client’s Questionnaire and based upon model investment portfolios designed for a specific investor that WFA shall provide to Pinnacle Investments, invest and reinvest for each Client, on a discretionary basis without contacting the Client for prior approval, securities, including Exchange Traded Funds and exchange Traded Notes and/or cash that the Client may from time to time deposit in the Client’s account.

Customized Portfolios: In the case of Customized Portfolios, Pinnacle Investments will assist each client in reviewing the Client’s investment objectives, including any restrictions designated by the Client with respect to investment securities to be invested in the Client’s Account. In addition, Pinnacle Investments will assist the Client in transitioning the Client’s concentrated Account to a tailored portfolio made available through Customized Portfolios by an affiliate of WFA, Wells Fargo Bank, N.A., which acts as investment manager for the Account.

### **Personalized UMA Fees**

Fees for UMA Accounts are only offered on a wrap-fee basis, covering all of our execution, consulting and custodial services as well as each Manager’s fee for their services.

<b>Standard Fee</b>	Personalized UMA - 2.50% (annualized, calculated on your account value).
	Allocation Advisors Strategies – 2.25% (annualized, calculated on your account value).
	Wells Fargo Compass - 2.25% (annualized, calculated on your account value).
	Customized Portfolios - 2.25% (annualized, calculated on your account value).

The current standard fee, which is negotiable, is shown above. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$250 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

**FundSource**

FundSource is a discretionary investment advisory Program that offers a broad array of mutual funds that invest in and across different investment asset classes and employ varied approaches to investment management. "Optimal Blends" are managed portfolios of recommended funds, based on due diligence and asset allocation guidance provided by, Wells Fargo Investment Institute ("WFI"), for a number of different investment objectives. Based on your investment objectives, financial circumstances and risk tolerance, your IAR will recommend either an Optimal Blend or a Customized Blend, created in consultation with you, which you may select as the target allocation for your Account. Once you choose an Optimal or Customized Blend, the assets in your Account will be invested by your Financial Advisor on a discretionary basis. The combination and allocation strategy of the selected mutual funds in an Optimal Blend is based the appropriate target asset allocation and/or risk/return profile for your investment objective and risk tolerance. The target allocation for Customized Blends is determined at the time your Account is established in the FundSource Program. In order to maintain the Account in conformance with your targeted fund allocations, WFA will automatically rebalance it periodically if actual allocations vary by more than certain established percentages from the target allocation. We will generally rebalance the Account annually, unless market conditions indicate we should do so more frequently. You may also request us to rebalance your Account as necessary. If your Account is managed pursuant to a Customized Blend, you may opt out of automatic rebalancing. Accounts are managed on a discretionary basis.

**FundSource Fees**

Fees for FundSource Accounts are only offered on a wrap-fee basis, covering all of our execution, consulting and custodial services as well as each Manager's fee for their services. In addition, mutual funds and ETFs have fees associated with them that you will pay above and beyond the stated contract rate you sign. These fees are embedded within the price of the mutual fund or ETF. Please refer to the prospectus for specific fees associated with a given mutual fund or ETF.

<b>Standard Fee</b>	2.00% (annualized, calculated on your account value).
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The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement. Notwithstanding this fee calculation, the minimum fee charged to the Account will be \$75 per quarter. You should be aware that the imposition of the minimum fee may cause the Program fee rate (expressed as a percentage) to be greater than the fee stated in the Fee Schedule table for the Program. Under certain circumstances, the minimum fee may be waived.

**Private Investment Management ("PIM")**

The PIM Program utilizes stocks, bonds, cash, Program eligible mutual funds, ETFs, CEFs, fee based UITs, CDs and covered options to construct the investment portfolio. Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. Individual PIM Portfolio Managers may develop specific investment strategies which ordinarily include long and short-term securities purchases and, depending on your objectives and the Portfolio Manager's investment philosophy, supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option

strategies and trading or short sale transactions. Accounts are managed on a discretionary basis by the Pinnacle Investments' IAR.

### **PIM Fees**

Fees for PIM Accounts are only offered on a wrap-fee basis, covering all investment advice, execution, consulting and custodial services.

**Standard Fee**                      First \$250,000 is 3.0% (annualized, calculated on your account value).  
Next \$750,000 is 2.5% (annualized, calculated on your account value).  
Over \$1,000,000 is 2.0% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$125 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

### **Asset Advisor**

Asset Advisor is a non-discretionary, Client directed investment Program in which your Pinnacle IAR may provide a broad range of investment recommendations based on your investment objectives, financial circumstances and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your Account. Most types of securities are eligible for purchase in an Asset Advisor Account including, but not limited to, common and preferred stocks, exchange-traded funds ("ETF"), closed-end funds ("CEF"), fee-based unit investment trusts ("UIT"), corporate and government bonds, certificates of deposit ("CD"), options, structured products, certain mutual funds whose shares can be purchased at net asset value, certain wrap class alternative investments, such as hedge funds and managed futures funds, and certain wrap class variable annuities. Collectively, these are referred to as "Program Assets." Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. Accounts are not managed on a discretionary basis.

### **Asset Advisor Fees**

Fees for Asset Advisor Accounts are only offered on a wrap-fee basis, covering all investment advice, execution, consulting and custodial services.

**Standard Fee**                      First \$250,000 is 3.0% (annualized, calculated on your account value).  
Next \$750,000 is 2.5% (annualized, calculated on your account value).  
Over \$1,000,000 is 2.0% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$125 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

### **CustomChoice**

CustomChoice is a non-discretionary, Client directed mutual fund investment Program. Program eligible mutual funds may include asset allocation funds, alternative strategy mutual funds or other select funds that may utilize derivatives, short-selling, leverage and other strategies to meet stated investment objectives, enhance diversification, hedge risks, accentuate returns or facilitate certain market exposures or more dynamic allocation changes. Your Pinnacle IAR may provide investment recommendations based on your investment objectives,

financial circumstances and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your Account. Accounts are not managed on a discretionary basis.

**CustomChoice Fees**

Fees for Asset Advisor Accounts are only offered on a wrap-fee basis, covering all investment advice, execution, consulting and custodial services.

**Standard Fee** First \$250,000 is 1.75% (annualized, calculated on your account value).  
 Next \$750,000 is 1.50% (annualized, calculated on your account value).  
 Over \$1,000,000 is 1.15% (annualized, calculated on your account value).

The current standard fee is negotiable. Please consult the Program Features and Fee Schedule of your Client Agreement.

There is a minimum fee of \$125 per quarter. You should be aware that the imposition of the minimum fee may cause your fee (expressed as a percentage) to be greater than the standard fee stated above. Under certain circumstances, the minimum fee may be waived.

**Item 5: Account Requirements and Types of Clients**

Minimum initial Account values are shown in the following table. We may terminate Client Accounts with written notice if they fall below minimum Account value guidelines established by us.

<b>Program Name</b>	<b>Minimum Account Size</b>
Ascend	No minimum
Personalized UMA	
SMA Strategies Personalized UMA	\$200,000 Optimized Blends
Allocation Advisors Strategies SMA Strategies	\$50,000 subject to Manager's minimum
ESG Aware, Tactical Active/Passive and Intuitive Investor ETF Allocation Advisors Strategies	
Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic US Inflation ESG Aware, Tactical Active/Passive and Intuitive Investor ETF	\$10,000
CAAP plus and Tactical ETF Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic US Inflation	\$25,000
Wells Fargo Compass Asset Allocation Strategies CAAP plus and Tactical ETF	\$50,000
Conservative Growth & Income Wells Fargo Compass Asset Allocation Strategies	
Moderate Growth & Income Conservative Growth & Income	\$250,000
Aggressive Growth & Income Moderate	\$250,000
Conservative Growth Aggressive Growth	\$250,000
Moderate Growth Conservative Growth	\$250,000

Aggressive Growth	Moderate Growth	\$250,000
Aggressive Growth		\$150,000
Customized Portfolios Equity Strategies		
Customized Portfolios Equity Strategies		\$50,000
FundSource		
FundSource Foundations	FundSource	\$25,000
FundSource Foundations		\$10,000
Private Investment Management ("PIM")		
CustomChoice	Private Investment Management	\$50,000
Asset Advisor	CustomChoice	\$25,000

### Types of Clients

Pinnacle Investments may provide the advisory services described in this brochure to individuals, pension or profit-sharing plans, trusts, estates or charitable organizations, corporations or other business entities, governmental entities and educational institutions, as well as banks or thrift institutions.

### Charles Schwab Institutional Intelligence Portfolio Automated Investment Management Platform:

Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program.

## **Item 6: Portfolio Management Selection and Evaluation**

### Manager Evaluation

Pinnacle Investments conducts a diligence review of each sub-advisor at initiation and as needed, but at a minimum, on an annual basis. This includes a review of advisory account performance.

Pinnacle Investments' portfolio managers on wrap-fee programs utilize the WFA platform with performance derived from the WFA system. Neither the Adviser nor a third-party reviews portfolio manager performance information and may not be calculated on a uniform and consistent basis. There is an appearance of conflict when a Pinnacle IAR also acts as a portfolio manager and there is a decision to participate in a wrap-fee program. Pinnacle Investments resolves this appearance of conflict by periodic reviews of client accounts participating in wrap-fee programs. A related portfolio manager may be replaced in the event a review by Pinnacle Investments determines it is in the best interest of the client. Pinnacle Investments has no uniform methodology for determining the selection and review of related person portfolio managers.

### Client Restrictions and Instructions

We will comply with any reasonable instructions and/or restrictions you give us when making recommendations for your Account. Reasonable instructions generally include the designation of particular securities or types of securities that should not be purchased for the Account, or that should be sold if held in the Account. If your restrictions are unreasonable or if we or your Pinnacle IAR believe that the restrictions are inappropriate, we will notify you that, unless they are modified, we may remove your Account from the Program. You will not be able to provide instructions that prohibit or restrict the investment advisor of an open-end or closed-end mutual fund or exchange-traded funds, with respect to the purchase or sale of specific securities or types of securities within the fund. Our policy is generally to liquidate your preexisting securities portfolio immediately and bring the Account into conformity with your target allocations. If you wish to hold certain positions for tax or investment purposes, you should consider holding these positions in a separate Account.

### Performance-Based Fees

Neither Pinnacle Investments nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains or on a capital appreciation of the assets of a client).

### Side-by-side management

Pinnacle Investments does not engage in side-by-side management, which refers to the practice in which a management firm simultaneously manages multiple products, such as mutual funds, hedge funds, separately managed accounts, and so forth.

## **Item 7: Client Information Provided to Portfolio Managers**

All Clients must provide information on their investment objectives, financial circumstances, risk tolerance and any restrictions they may wish to impose on investment activities. We will notify you in writing at least annually to update your information and indicate if there have been any changes in your financial situation, investment objectives or instructions; and you agree to inform us in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Your Pinnacle IAR will be reasonably available to you for consultation on these matters and will act on any changes deemed to be material or appropriate as soon as practical after we become aware of the change.

## **Item 8: Client Contact with Portfolio Managers**

Your contact for information and consultation regarding your Program Accounts is generally your IAR. In certain instances, your Pinnacle IAR may coordinate their response with the Portfolio Manager (if applicable) or arrange for you to consult directly with the Portfolio Manager. In Pinnacle IAR Directed Programs, your IAR is acting in the capacity of Portfolio Manager. You have no restrictions in contacting your Pinnacle IAR.

## **Item 9: Additional Information**

### **Disciplinary Information**

There is no material Disciplinary Information to report regarding Wrap Fee Programs offered by Pinnacle Investments.

### **Other Financial Industry Activities and Affiliations**

Pinnacle Investments is registered as a securities broker-dealer with the Financial Industry Regulatory Authority. We also have arrangements that are material to its advisory business or clients with a related person who is an investment company and other investment advisor. Pinnacle is also a general partner in a partnership in which clients are solicited to invest. These arrangements and partnerships are disclosed as follows:

#### OTHER BUSINESS ACTIVITIES AND AFFILIATIONS

#### Pinnacle Holding Company, LLC

Pinnacle Holding Company, LLC is the parent company of 1) Pinnacle Investments, LLC, 2) Confidential Planning I, LLC 3) Pinnacle Capital Management, LLC. Pinnacle Investments is not formally affiliated with Pinnacle Advisors, LLC., however there is some common ownership. Pinnacle Advisors, LLC is an SEC-registered investment advisor. The advisory services provided by Pinnacle Advisors, LLC are separate and distinct from the advisory services provided by Pinnacle Investments or any other subsidiary of Pinnacle Holding Company, LLC.

#### Confidential Planning I, LLC

Confidential Planning I, LLC is a registered investment adviser focused on bringing single provider 403(b) retirement plans to educators and employees of schools, hospitals and not-for-profit (501c) organizations. The IARs may offer Plan Sponsors with customized investment advisory services, diversified investment menus, consulting and reporting, and participant educational programs.

#### Pinnacle Capital Management, LLC

Pinnacle Capital Management, LLC ("PCM") is an investment manager providing services to individual investors, corporations, pension funds, foundations, endowments, labor unions, insurance companies, healthcare

organizations and governments. PCM specializes in managing equity, balanced and fixed income portfolios by identifying undervalued securities of well-known companies.

#### Sub-Advisory Services

PCM provides portfolio management services in the Pinnacle Investments' Pinnacle Capital Management Separately Managed Account Program (hereinafter "PCM SMAP"). PCM SMAP offers a wrap fee and non-wrap fee programs where Pinnacle Investments (hereinafter "PI") is the advisor and wrap fee program sponsor, and PCM is the sub-advisor responsible for portfolio management services. As part of its portfolio management services, depending on the version of the PCM SMAP agreement, PCM may vote proxies on behalf of participants.

PCM is compensated by Pinnacle Investments for providing portfolio management services for clients participating in the wrap fee program. The participants in PCM SMAP are clients of Pinnacle Investments and not advisory clients of Pinnacle Capital Management. Pinnacle Investments is responsible for assisting clients in understanding the wrap fee program in light of the client's investment objectives and financial situation, initially and on an ongoing basis. PI is also responsible for client communication, portfolio reviews, client services, account maintenance, and communicating client portfolio strategy changes to PCM. PCM manages client portfolios in accordance with the portfolio strategy selected on the PCM SMAP agreement with full trading discretion, subject to written restrictions, and does not act in any other capacity. The Brochure for this Wrap Fee Program can be accessed via the following link:

<https://www.pcm-advisors.com/learning-center>

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

#### Code of Ethics

All Pinnacle Investments' employees must comply with a Code of Ethics and Insider Trading Policy. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The Code describes Pinnacle Investments' high standard of business conduct, and its fiduciary duty to its clients.

The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

The Compliance Dept, Supervisors or their delegates, review all employee trades each quarter. These reviews ensure that personal trading does not affect the markets and that clients of Pinnacle Investments receive preferential treatment.

Pinnacle Investments' employees must acknowledge the terms of the Code when hired and at least annually thereafter. Any individual not in compliance with the Code may be subject to discipline.

Clients and prospective clients can obtain a copy of Pinnacle Investments' Code of Ethics by contacting Monica Coles at (315) 295-3806 or [mcoles@pinnacle-llc.com](mailto:mcoles@pinnacle-llc.com).

#### **Conflicts of Interest:**

Pinnacle Investments is both an SEC registered investment adviser and a registered broker-dealer. As such it is able to act in an advisory capacity and manage accounts as well as act in a brokerage capacity and maintain brokerage accounts. A material conflict of interest may arise when a brokerage account converts to an advisory account where investment advisor representatives place clients in asset-based fee accounts versus transaction-based fee accounts. The same conflict may arise when an advisory account converts to a brokerage account where investment advisory representatives place clients in transaction-based accounts versus asset-based fee accounts.

Pinnacle Investments addresses these potential conflicts of interest through the use of internal policies and controls that require the designated supervisor to review client information prior to converting a brokerage account to an advisory account or an advisory account to a brokerage account.

There is a potential conflict that arises when representatives of Pinnacle Investments, who are individual shareholders of Pinnacle Holding Co., LLC, invest client assets with its affiliate, PCM, because profitability of Pinnacle Capital Management, LLC could impact shareholder value. We feel this conflict is minimized in that representatives of Pinnacle Investments, LLC must ensure that any PCM products are in the best interest of the client.

Pinnacle Investments, when acting as a broker-dealer, provides recommendations subject to Regulation Best Interest. When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide. Here are some examples to help you understand what this means:

Employee vs. Client Conflicts:

The compensation arrangements or incentives for the firm or its employees could affect whether employees recommend or offer a particular security or transaction to a client.

Outside business activities:

If your broker or adviser engages in an outside business activity it can cause the appearance of a conflict. Typically, this may occur if the broker or advisor engages in an outside business activity relating to a stock offering and employer for the outside business activity tries to have the broker or adviser recommend or sell certain investments.

Dual Registration – Investment Advisor/ Broker Capacity

Pinnacle Investments is both an SEC registered investment adviser and a registered broker-dealer. As such it is able to act in an advisory capacity and have managed accounts as well as act in a brokerage capacity and maintain brokerage accounts. It is important that the broker or advisor is clear on that role when engaging with a client.

A material conflict of interest may arise when a brokerage account converts to an advisory account where investment advisor representatives place clients in asset-based fee accounts versus transaction-based fee accounts. The same conflict may arise when an advisory account converts to a brokerage account where investment advisory representatives place clients in transaction-based accounts versus asset -based fee accounts.

Pinnacle Investments addresses this potential conflict of interest through the use of an internal policy that requires that a Pinnacle representative fill in a form with pertinent information when a brokerage account converts to an advisory account or, vice versa, when an advisory account converts to a brokerage account. The information pertains directly to the reasoning for the transfer of the account and requires the signature of the designated supervisor.

There is a potential conflict that arises when representatives of Pinnacle Investments, who are individual shareholders of Pinnacle Holding Co., LLC, invest client assets with its affiliate, PCM, because profitability of PCM could impact shareholder value. We feel this conflict is minimized in that representatives of Pinnacle Investments must ensure that any PCM products are in the best interest of the client.

**Brokerage Transaction:**

Pinnacle Investments is required to provide clients with the best execution possible for their transactions. An appearance of a conflict of interest may occur if a broker-dealer or investment adviser directs transactions to a certain market center that may not provide able to provide clients the best possible execution price on their transactions.

**a. Front Running:**

Front Running is not only a conflict of interest but also a prohibited act. This situation results when a broker or advisor takes advantage of non-public information about a large block trade and purchases or sells the securities in his or her own account ahead of the block execution.

**b. When we act as your investment adviser,** we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

**c. When we provide with a recommendation as your broker-dealer or act as an investment adviser,** we have to act in your best interest and not put ours ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.

(ii) Examples of Ways You Make Money and Conflicts of Interest:

**a. Proprietary Products:** Investments that are issued, sponsored or managed by Pinnacle Investments or our affiliates.

**1789 Growth and Income Fund**

The 1789 Growth and Income Fund is a 40 Act Mutual Fund that seeks income and growth of capital by investing primarily in stocks with high and growing dividends. Pinnacle Investments is the distributor for the Fund and Pinnacle Investments' affiliate PCM is the Advisor to the Fund.

**Pinnacle Aggressive Growth Global, Extended Fund (PAGGE)**

PAGGE is a private 130/30 long/short fund. Pinnacle Investments' affiliate PCM is the Advisor and General Partner to the Fund.

**b. Third-Party Payments:** We do not receive third party payments when we recommend or sell certain investments.

**c. Revenue Sharing:** We do not receive revenue sharing from managers or sponsors of specific investments.

**d. Principal Trading:** Investments Pinnacle Investments buy from a retail investor and/or investments Pinnacle Investments sells to a retail investor, for or from our own accounts, respectively.

**Participation or Interest in Client Transactions and Personal Trading**

Individuals associated with Pinnacle Investments may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Pinnacle Investments that no person employed by Pinnacle Investments shall prefer his or her own interest to that of an advisory or sub-advisory client or make personal investment decisions of advisory clients. To supervise compliance with its Code of Ethics, Pinnacle Investments requires that anyone associated with advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Pinnacle Investments requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any private placements (limited offerings).

Pinnacle Investments requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Pinnacle Investments' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

**Financial Information**

In certain circumstances, registered investment advisors are required to provide clients with material financial information or disclosures about their financial condition. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important to an investment decision, or if it would alter the total mix of available information about the company.

PI does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance for either discretionary or non-discretionary accounts and does not produce stand alone balance sheets for its investment advisor operations. PI has never been the subject of a bankruptcy proceeding and it regularly files financial statements with the SEC. These are available through the SEC.

#### **Review of Accounts**

At Pinnacle Investments, trades conducted in a Pinnacle Advisor managed account are reviewed by a supervisor through a risk-based combination of surveillance tools and reports. Every account that has no trade activity will be reviewed by a supervisor at least semi-annually. The entire portfolio, including third party managed accounts, will be reviewed at least annually by both the IAR and supervisor. Portfolio Management accounts may be reviewed more frequently in the event of material market, economic or political events or changes in the client's individual circumstances.

Clients are provided with statements on a monthly or quarterly basis, depending on activity. These statements contain a description of any securities positions, money balances, or account activity to each customer whose account had a security position, money balance, or account activity during the period since the last such statement was sent to the customer.

#### **Client Referrals and Other Compensation**

Pinnacle Investments (or related persons) do not compensate for client referrals nor receive economic benefits, such as sales awards or other prizes, for providing investment advice or other advisory services to our clients.

We receive a non-economic benefit from Betterment Institutional and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. The availability to us of Betterment Institutional and Betterment Securities' products and services is not based on our giving particular investment advice, such as buying particular securities for our clients.