

PINNACLE INVESTMENTS, LLC

Part 2A of Form ADV:  
Firm Brochure

June 5, 2023

Pinnacle Investments, LLC.  
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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 ("SEC") 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).

Pinnacle Investments is dually registered with the Financial Industry Regulatory Authority ("FINRA") and the SEC, although registration does not imply a certain level of skill or training.

**Item 2: Material Changes**

There was one material change to the Disciplinary Information at Pinnacle Investments, LLC in 2023. That change is reflected in this ADV.

There have been additional material changes in the disciplinary information for affiliated adviser Pinnacle Advisors, LLC, as well as, for Pinnacle Investment's CEO Benjamin Quilty and Investment Advisor Representative Robert Cuculich. The disclosure is related to a civil judicial matter brought by the SEC involving allegations regarding the failure of a registered open-end investment company (the "NYSE Fund" or the "Fund") to comply with Rules 22e-4 (the "Liquidity Rule") and 30b1-10 under the Investment Company Act of 1940 (the "Investment Company Act"). Additional information regarding this item can be found on form ADV for Pinnacle Advisors as well as form ADV 2B for both representatives Quilty and Cuculich.

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#### **Item 4: Advisory Business**

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 provides continuous and regular supervisory or management services to securities portfolios. As of May 31, 2023, assets under management ("AUM") managed on a discretionary basis was \$844,112,886 while AUM managed on a non-discretionary basis was \$4,279,767.

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 may 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.

#### **AdvisorPro**

Pinnacle IARs may provide investment advisory services to your account on a discretionary basis in their role of Portfolio Manager. Based on your investment objectives and individual needs your Portfolio Manager will have discretion to manage your assets. Pinnacle Investments' Portfolio Managers maintain any required industry examinations and registrations. Individual Portfolio Managers may develop specific investment strategies using a mix of analytic methods. Such strategies ordinarily include long-term and short-term securities purchases and, depending on your objectives and the Portfolio Manager's investment philosophy, supplemental covered option writing in addition to the long positions of calls and/or puts. In special circumstances, the strategies may also include margin transactions, other option strategies and trading or short-sale transactions. Due to any number of factors, including timing of deposits, investment selection process or investment needs, certain clients may receive different execution prices and investment results. Accounts are managed on a discretionary basis.

AdvisorPro is available to Pinnacle Investments clients for accounts custodied at First Clearing, Charles Schwab, or TD Ameritrade.

#### **Pinnacle Capital Management**

Pinnacle Capital Management, LLC ("PCM") was founded in August 2006 and is a wholly owned subsidiary of Pinnacle Holding Company, LLC. PCM is organized as a Delaware limited liability company.

PCM provides investment supervisory services and offers advice on:

- equity securities (exchange-listed securities, securities traded over-the-counter, foreign issuers)
- corporate debt securities
- commercial paper
- certificates of deposit (bank CDs)
- municipal securities
- investment company securities (mutual fund shares)
- hedge funds
- United States government securities
- options contracts on securities
- interests in partnerships investing in real estate
- asset backed securities (ABS) including but not limited to residential real estate mortgage-backed securities (MBSs), collateralized loan obligations (CLOs), commercial mortgage-backed securities (CMBSs), and ABS backed by credit card receivables, auto loans, and equipment leases,
- private placement debt securities.

PCM offers advisory services and sub-advisory services, where appropriate, to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, investment companies, hedge funds, corporations, insurance companies and other business entities.

PCM provides advice to clients regarding investment of assets based on the individual needs of the client. Client investment objectives, risk tolerances and time horizon are established at the beginning of each client relationship and updated as client needs change. If desired, PCM will assist clients in developing a personal investment policy and create and manage a portfolio based on that policy. PCM will manage advisory accounts on either a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of each client.

PCM will create a portfolio, or advise on the creation of a portfolio, consisting primarily of individual equities, exchange traded funds, mutual funds, hedge funds, fixed income securities and cash equivalents (e.g., money market funds). PCM will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The mutual funds, hedge funds and exchange traded funds will be selected based upon any or all of the following criteria: the fund's performance history; the industry or geographic sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by the investment style selected based on each client's individual needs and circumstances.

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities. As appropriate, PCM may engage in margin transactions or option writing for client accounts. As these strategies involve additional risks, they will only be recommended when consistent with the client's stated risk tolerance.

PCM acts as a portfolio manager for the advisory programs discussed below with trades executed through the sponsor of the program. This form of directed brokerage may result in trading costs and execution services that are not as advantageous to the client as when PCM seeks "best execution." PCM receives a portion of advisory fee for its portfolio management services.

PCM provides portfolio management services in the Pinnacle Investments' Pinnacle Capital Management Separately Managed Account Program ("PCM SMAP"). PCM SMAP is an advisory program where Pinnacle Investments, a dually registered firm affiliated with PCM through common ownership and control, acts as adviser. PCM is the sub-adviser responsible for portfolio management services within the program. 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 PCM SMAP program. Participants in PCM SMAP are clients of Pinnacle Investments and not advisory clients of PCM. Pinnacle Investments is responsible for assisting clients in understanding the PCM SMAP program in light of the client's investment objectives and financial situation – initially and on an ongoing basis. Pinnacle Investments 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. These clients should refer to PI's disclosure document for the program for additional information.

**Charles Schwab & Co., Inc. (Schwab):**

Economic Benefits of Being on the Schwab Platform  
Products & Services Available to Us From Schwab:

AdvisorPro, mentioned above, is offered to Pinnacle Investments clients with accounts custodied at Charles Schwab. In addition to the description below please see the description of AdvisorPro above.

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like ours. They provide Pinnacle Investments and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis, at no charge to advisors.

**Services that Benefit Client**

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

**Services that May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab.

In addition to investment research, Schwab also makes available software and other technology that:

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

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

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

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

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

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

We offer an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds and mutual funds ("Funds") and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). [(Option 1) The System includes an online questionnaire that can help us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that, if we use the online questionnaire, we will recommend a portfolio via the System in response to the client's answers to the online questionnaire.] [(Option 2) Based on information the client provides to us, we will recommend a portfolio via the System.] The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under *Item 5 Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

**TD Ameritrade Investment Management, LLC (TD) Platform**

AdvisorPro is offered to Pinnacle Investments clients with accounts custodied by TD Ameritrade. Please also see the AdvisorPro description above.

**TD Ameritrade**

TD Ameritrade Advisor Services is TD Ameritrade's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to TD Ameritrade retail customers. TD Ameritrade also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. TD Ameritrade's support services are generally available on an unsolicited basis, at no charge to advisors.

**Services that Benefit Client**

TD Ameritrade's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through TD Ameritrade include some to which we might not otherwise have access or that would require a significantly higher minimum

initial investment by our clients. TD Ameritrade's services described in this paragraph generally benefit clients or their account(s).

#### Services that May Not Directly Benefit Clients

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

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

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

- o educational conferences and events
- o technology, compliance, legal, and business consulting;
- o publications and conferences on practice management and business succession; and
- o access to employee benefits providers, human capital consultants and insurance providers.

TD Ameritrade may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. TD Ameritrade may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through TD Ameritrade, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

TD Ameritrade has eliminated commissions for online trades of equities, ETFs and options (currently subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to TD Ameritrade. We encourage you to review TD Ameritrade's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to TD Ameritrade's most recent pricing schedules available at [TD Ameritrade.com/aspricingguide](https://www.tdameritrade.com/aspricingguide).

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

In the event Pinnacle offers transaction-based pricing, the Pinnacle IAR may absorb certain transaction costs in wrap fee accounts. As such, the Pinnacle IAR may have a financial incentive not to place transaction orders in

those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades.

Advisory fees are not charged on assets that are not directly under our management. Advisory fees will be charged for other assets, including cash held within the portfolio strategy. To see what you would pay for transactions in a non-wrap account please refer to TD Ameritrade's most recent pricing schedules available at [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/TDA4855.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA4855.pdf)

#### 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 IAR. Accounts are managed on a discretionary basis.

**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 Allocation ("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 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.

#### **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 ("WFII"), for a number of different investment objectives. Based on your investment objectives, financial circumstances and risk tolerance, your Pinnacle 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 on 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.

#### **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 IAR.

#### **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.

#### **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.

#### **Item 5: Fees and Compensation**

All of the program accounts described in this brochure are charged a fee on eligible assets that covers advisory services. Those programs further identified as Wrap Fee programs also include execution, custodial, and reporting services in the fee. Fee Schedules for each program are set forth as follows:

##### **AdvisorPro Fee Schedule**

AdvisorPro account fees are 3.00% annualized. This rate may be negotiated based on account size, investment complexity and level of service required. Fees payable by advisory clients are payable in advance. Fees will be invoiced at the beginning of each Billing Period based upon the value (market value or fair market value in the absence of market value) of the Advisory account(s) at the end of the previous Billing Period or average daily balance of the prior Billing Period for existing clients whose agreement specifies that calculation. Billing Periods normally span 3-months but may alternately be monthly. Client hereby authorizes the account custodian ("Custodian") to pay the fees directly to Pinnacle. To pay any fees incurred, funds will be deducted from the account and if necessary, from liquidating holdings in the following order: cash positions; money market funds or current positions. Fees are deducted directly from the advisory account(s), but if specified in writing, may be deducted from a different non-retirement account, including non-advisory accounts. If requested in writing, fees may also be billed and paid by check if within 10 days of invoice date otherwise fee will be deducted from the advisory account. The initial fee payable when an account is opened will be based on the month-ending account value once the account is considered fully funded. Should this Agreement be accepted on a date other than the first day of the Bill Period, Client's asset-management fee will be calculated on a pro-rata basis for that period.

Client may be responsible for additional costs including, but not limited to, transaction and custodial fees. Currently \$5.00 is charged on each transaction for postage and handling related to the generation of trade confirmations and periodic account statements. Trades are also charged \$20.00 for execution and clearing although this may be negotiated based on account size, investment complexity and level of service required. The minimum annual Program fee under this Agreement will be \$100.00. Accordingly, Client may pay an effective rate that is greater than the rate specified.

If a client terminates their advisory relationship with Pinnacle Investments before the end of the quarter, a pro-rated refund of advisory fees will be made to the client less reasonable start-up costs including transaction costs.

AdvisorPro is available to Pinnacle Investments clients for accounts custodied by First Clearing, Charles Schwab or TD Ameritrade.

##### **Pinnacle Capital Management Fee Schedule**

PCM's fees are 3.00% annualized and the minimum initial account value required for a separately managed account is generally \$100,000. Rates and minimums may be negotiated based on account size, investment complexity and level of service required.

Fees payable by advisory clients are payable in advance. Fees will be invoiced at the beginning of each Billing Period based upon the value (market value or fair market value in the absence of market value) of the Advisory account(s) at the end of the previous Billing Period or average daily balance of the prior Billing Period for existing clients whose agreement specifies that calculation. Billing Periods normally span 3-months but may alternately be monthly. Client hereby authorizes the account custodian ("Custodian") to pay the fees directly to Pinnacle. To pay any fees incurred, funds will be deducted from the account and if necessary, from liquidating holdings in the following order: cash positions; money market funds or current positions. Fees are deducted directly from the advisory account(s), but if specified in writing, may be deducted from a different non-retirement account, including non-advisory accounts. If requested in writing, fees may also be billed and paid by check if within 10 days of invoice date otherwise fee will be deducted from the advisory account. The initial fee payable when an account is opened will be based on the initial deposit made into the account including the value of any securities. Should this Agreement be accepted on a date other than the first day of the Bill Period, Client's asset-management fee will be calculated on a pro-rata basis for that period.

Client may be responsible for additional costs including, but not limited to, transaction and custodial fees. Currently \$5.00 is charged on each transaction for postage and handling related to the generation of trade confirmations and periodic account statements. Trades are also charged \$5.00 for execution and clearing although this may be negotiated based on account size, investment complexity and level of service required. The minimum annual Program fee under this Agreement will be \$100.00. Accordingly, Client may pay an effective rate that is greater than the rate specified.

If a client terminates their advisory relationship with PCM before the end of the quarter, a pro-rated refund of advisory fees will be made to the client less reasonable start-up costs including transaction costs.

##### **Ascend Program Fee Schedule**

**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 IAR 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.

##### **WFA Programs**

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

###### **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.

The Standard Program Fee for a Personalized UMA Multi Strategy Account is 2.50%, different strategies and/or investments available within the Program have a Standard Fee that is less than 2.5% and which will impact the actual fee for your Account. If, for instance, you select a Multi Strategy Custom Blend with 50% of the Account allocated to an SMA strategy (Standard Fee of 2.5%), 25% of the Account allocated to a Wells Fargo Compass strategy (Standard fee of 2.25%) and 25% of the account allocated to a FundSource Optimal Blend (Standard Fee of 2%), your Standard Fee would be 2.3125% due to the weighting and Standard fee for each strategy/investment within the Account. As a result of the different fees associated with the different strategies/investments, your actual fee rate could vary quarter to quarter based on the current value of assets in each strategy/investment at the end of each quarter. This could cause your actual fee rate to be greater than or less than the fee rate shown on your Program Features and Fee Schedule. In a personalized UMA Single Strategy Account, your Standard Fee will be based on the Strategy selected. 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 Fee Schedule**

##### **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.

**Standard Fee** 2.00% (annualized, calculated on your account value).

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") Fee Schedule**

##### **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 Fee Schedule**

##### **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.

#### **Custom Choice Fee Schedule**

##### **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.

#### **Account Termination of WFA programs**

Your account agreements may be terminated by either party at any time upon notice. If you terminate your Agreement, a pro rata refund will be made, less reasonable start-up costs. You have the right, within five (5) days of execution, to terminate the Client Agreement without penalty. In the event of cancellation of Client Agreements, fees previously paid pursuant to the fee schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs.

#### **Payment of Fees for WFA programs**

Unless otherwise indicated, Client hereby authorizes the account custodian ("Custodian") to deduct the fees from their Account for the services provided on a wrap-fee basis (i.e., there are no separate charges for execution services or Manager fees). Client agrees to pay the fees based on the type of account chosen by Client, which fees will be deducted directly from the particular Account, unless Pinnacle Investments and Client agree otherwise. If Client directs Pinnacle Investments to debit fees from an alternate account, this election will continue until Client provides notice of revocation of this election. Pinnacle Investments will have a reasonable amount of time to act on Client's election. The initial fee payment will be due in full on the date the Account is accepted by Pinnacle Investments ("the commencement date") and will be based on Account Asset Value on that date with the initial fee prorated for the then current quarter and covers the remainder of such quarter. Thereafter, the quarterly renewal fee will be based on the Account Asset Value on the last business day of the previous calendar quarter and will become due the following business day.

#### **Charles Schwab & Co., Inc. (Schwab) Platform**

Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](http://schwab.com/aspricingguide).

Clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by

Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

We charge clients a fee for our services. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

In addition, please see the Description of Fees for AdvisorPro.

**TD Ameritrade Investment Management, LLC (TD) Platform**

Advisory fees are not charged on assets that are not directly under our management. Advisory fees will be charged for other assets, including cash held within the portfolio strategy. To see what you would pay for transactions in a non-wrap account please refer to TD Ameritrade's most recent pricing schedules available at [https://www.tdameritrade.com/retail-en\\_us/resources/pdf/TDA4855.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA4855.pdf)

In addition, please see the Description of Fees for AdvisorPro.

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

**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: Account Requirements and Types of Clients**

**Account Requirements**

The minimum initial account values for the Programs in this document are listed below. Under certain circumstances, the minimum account size may be waived. WFA may act as sub-advisor for the advisory programs. The minimum and maximum account size required by Pinnacle Investments may differ than that required by WFA as stated in the WFA advisory program Brochure or applicable Disclosure Document. You should refer to the chart below, as appropriate, to determine the minimum account size requirements.

Program Name	Minimum Account Size
AdvisorPro – First Clearing, Schwab and TD Ameritrade	\$10,000 may be waived
Pinnacle Capital Management	\$100,000 may be waived

Ascend	No minimum
Personalized UMA	\$200,000 Optimized Blends \$15,000 Customized Blends
SMA Strategies	\$50,000 subject to Manager's minimum
Allocation Advisors Strategies	
ESG Aware, Tactical Active/Passive and Intuitive Investor ETF	\$10,000
Strategic ETF, Active/Passive, Morningstar Strategic ETF, Morningstar ETF, Laffer Global and Laffer Dynamic US Inflation	\$25,000
CAAP plus and Tactical ETF	\$50,000
Wells Fargo Compass Asset Allocation Strategies	
Conservative Growth & Income	\$250,000
Moderate Growth & Income	\$250,000
Aggressive Growth & Income	\$250,000
Conservative Growth	\$250,000
Moderate Growth	\$250,000
Aggressive Growth	\$150,000
Customized Portfolios Equity Strategies	\$50,000
FundSource	\$25,000
FundSource Foundations	\$10,000
Private Investment Management ("PIM")	\$50,000
CustomChoice	\$25,000
Asset Advisor	\$25,000
Charles Schwab Institutional Intelligence Portfolio	\$5,000 Minimum
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 8: Methods of Analysis, Investment Strategies and Risk of Loss**

**Method of Analysis**

The Pinnacle IAR or portfolio manager may use a fundamental and/or technical approach for their approach to securities analysis. They may also utilize charting and cyclical analyses.

The Pinnacle IAR may use one or more of the following sources of information: financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases.

Pinnacle Investments' investment strategies used to implement any investment advice given to clients include:

- Long-term purchases (securities held at least a year from date of purchase)
- Short-term purchases (securities sold within a year of purchase date)
- Trading (securities sold within 30 days of purchase)
- Short sales



- Margin transactions
- Option writing, including covered options, long positions of calls and/or puts, uncovered options or spread strategies

#### *Risk of Loss*

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following types of risks:

#### *Market Risk*

The price of a security, bond, or mutual fund may drop (or rise in the case of shorted investments) 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.

#### *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.

#### *Investment Advisor Risk*

Financial Advisor's ability to choose suitable investments has a significant impact on the ability of the Strategies to meet their investment objectives.

#### *Asset Allocation Risk*

Financial Advisor's allocations between equity and debt securities could cause accounts to underperform relative to benchmarks and other accounts with similar investment objectives.

#### *Inflation Risk*

When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

#### *Currency Risk*

Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

#### *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 income from a steady stream of customers who buy electricity no matter what the economic environment is like.

#### *Financial Risk*

Excessive borrowing to finance a business' operations increases the risk to profitability, because the company must then 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.

#### *Margin Risk*

The use of margin is not suitable for all investors since it increases leverage in your Account and therefore risk.

Investing in securities involves risk of loss that clients should be prepared to bear. In the case of a primary trading investing strategy, frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

### **Item 9: Disciplinary Information**

In 2015, Pinnacle Investments, without admitting or denying the findings, consented to the censure and fine in the amount of \$12,500 due to the findings that it failed to preserve all business-related communication sent or received by a registered rep and his assistant who were using outside email accounts.

In 2023 Pinnacle Investments, without admitting or denying the findings, consented to the censure, fine in the amount of \$393,381, disgorgement of \$83,462 and prejudgment interest of \$11,874. This was due to findings that Pinnacle made false and misleading statements in its Forms ADV part 2A regarding reviews of advisory client accounts, failed to adequately disclose its conflict of interest with the outside business activities and related compensation arrangements of an Investment Adviser Representative, failed to adopt and implement policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder concerning reviews of client accounts and conflicts of interest and failed to deliver to clients information about advisory personnel as required in Form ADV Part 2B.

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

Pinnacle Investments is registered as a securities broker-dealer with the Financial Industry Regulatory Authority. It also has arrangements that are material to its advisory business or clients with a related person who is an investment company 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.

##### Pinnacle Capital Management, LLC

Pinnacle Capital Management, LLC is an investment management firm 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.

PCM also has representatives focused on 403(b) retirement plans for educators and employees of schools, hospitals and not-for-profit (501c) organizations. PCM representatives may offer Plan Sponsors with customized investment advisory services, diversified investment menus, consulting and reporting, and participant educational programs.

##### Sub-Advisory Services

PCM provides portfolio management services to the Pinnacle Investments' Pinnacle Capital Management Separately Managed Account Program (hereinafter "PCM SMAP"). PCM SMAP is an advisory program where Pinnacle Investments is the advisor and program sponsor. 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 advisory program. 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 advisory program in light of the client's investment objectives and financial situation; initially and on an ongoing basis. Pinnacle Investments 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 advisory Program can be accessed via the following link:

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

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

### **Code of Ethics**

All Pinnacle Investments' employees, registered representatives and IARs 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

Directors of Compliance or Designated Supervisors review a sample of 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.

### **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 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.

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 adviser 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 adviser 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.

### **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 adviser 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.

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 buys 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 Compliance Department. 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.

**Item 12: Brokerage Practices**

Pinnacle Investments does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions, sometimes called "soft dollars". Pinnacle Investments does not receive soft dollars or payment for order flow.

Pinnacle Investments' registered representatives working in an IAR capacity may enroll clients in managed account programs including those of entities affiliated with Pinnacle Investments.

Pinnacle Investments, through its clearing firm, has the ability to aggregate the purchase or sale of securities for various client accounts. This typically occurs when registered representatives are seeking best price execution for their clients.

Pinnacle Investments does not maintain custody of assets that we manage and/or which we advise.

We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold Ascend client's assets in a brokerage account of their choosing and buy and sell securities using their discretion.

For Ascend's clients' accounts that Betterment Securities maintains, Betterment Securities generally does not charge separately for custody services but is compensated as part of the Betterment Institutional platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of Ascend's client trades.

Pinnacle Investments may aggregate the purchase or sale of securities for various client accounts when it is deemed to be in the best interest of the client due to better pricing and execution quality. Pinnacle Investments may not aggregate the purchase or sale of securities for various client accounts when it has the opportunity to do so despite being in the best interest of the client due to regulatory restrictions. A potential conflict of interest may occur

with respect to client investments in mutual funds managed by the Advisor's affiliated entities. Pinnacle Investments addresses this potential conflict of interest by reviewing transactions.

**Charles Schwab & Co., Inc. (Schwab):**

Economic Benefits of Being on the Schwab Platform  
Products & Services Available to Us From Schwab:

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis, at no charge to advisors.

**Services that Benefit Client**

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

**Services that May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab.

In addition to investment research, Schwab also makes available software and other technology that:

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

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

- o educational conferences and events
- o technology, compliance, legal, and business consulting;
- o publications and conferences on practice management and business succession; and
- o access to employee benefits providers, human capital consultants and insurance providers.

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

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

#### Schwab Institutional Intelligent Portfolio:

Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, CS&Co., a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the Program. CS&Co. may aggregate purchase and sale orders for Funds across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform.

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co. provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services— trading, custody, reporting, and related services—many of which are not typically available to CS&Co. retail customers. However, certain retail customers may be able to get institutional brokerage services from Schwab without going through us. CS&Co. also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. CS&Co.'s support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co.'s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co.'s support services:

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

CS&Co. also makes available to us other products and services that benefit us but do not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co. also makes available software and other technology that:

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

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

- educational conferences and events;
- technology and business consulting;
- Consulting on legal and related compliance needs;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

CS&Co. provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. [CS&Co. also discounts or waives its fees for some of these services or pays all or a part of a third party's fees.] [CS&Co. also provides us with other benefits such as occasional business entertainment of our personnel.] If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

The availability of services from CS&Co. benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of

business to CS&Co. in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, we do not pay SPT fees for the Platform so long as we maintain client assets in accounts at CS&Co. The fact that we receive these benefits from Schwab is an incentive for us to [recommend/require] the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our [selection/recommendation] of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not Schwab's services that benefit only us.

#### **TD Ameritrade Investment Management, LLC (TD) Platform:**

##### **Economic Benefits of Being on the TD Platform**

##### **Products & Services Available to Us From TD:**

TD services independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to TD retail customers. TD also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. TD support services are generally available on an unsolicited basis, at no charge to advisors.

##### **Services that Benefit Client**

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

##### **Services that May Not Directly Benefit Clients**

TD also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both TD's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at TD.

In addition to investment research, TD also makes available software and other technology that:

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

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

- o educational conferences and events
- o technology, compliance, legal, and business consulting;
- o publications and conferences on practice management and business succession; and
- o access to employee benefits providers, human capital consultants and insurance providers.

TD may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. TD may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through TD, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

### **Item 13: Review of Accounts**

#### **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.

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

Pinnacle Investments (or related persons) does 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.

#### **Charles Schwab & Co., Inc.:**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangements because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above under *Item 12 Brokerage Practices*. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Item 15: Custody**

Pinnacle maintains the full authority from customers with assets held at Wells Fargo Clearing Services ("WFCS") to direct WFCS to pay, transfer, or otherwise act with respect to any security or other assets in customers' accounts and that WFCS may rely fully on Pinnacle representation and warranty without inquiring of customer as to Pinnacle as to Pinnacle's authority. In addition, Pinnacle has the authority to issue checks from customer accounts and print checks drawn from customer accounts.

Due to this, Pinnacle is deemed to have custody of client funds and securities. Pinnacle has established the appropriate policies and procedures relating to compliance with the applicable regulation.

When it is deemed that Pinnacle has custody of client funds and securities, account statements will be sent directly to our clients from our qualified custodian ("custodian"), WFCS or other firms where assets are custodied. They should be carefully reviewed by our clients.

Betterment Securities maintains actual custody of the assets held in Ascend accounts. The client's statements will be available for the client to review on the activity section of their Betterment Institutional account portal. They will also be able to view account statements directly from Betterment Securities at least quarterly at [www.bettermentsecurities.com](http://www.bettermentsecurities.com).

#### **Charles Schwab & Co., Inc.:**

Under government regulations, CS&Co is deemed to have custody of a client's assets if the client authorizes us to instruct CS&Co. to deduct our advisory fees directly from the client's account. This is the case for accounts in the Program. CS&Co. maintains actual custody of clients' assets. Clients receive account statements directly from CS&Co. at least quarterly. They will be sent to the email or postal mailing address the client provides to CS&Co. Clients should carefully review those statements promptly when received. We also urge clients to compare CS&Co.'s account statements to the periodic [account statements/portfolio reports] clients receive from us.

### **Item 16: Investment Discretion**

For discretionary clients, Pinnacle Investments requires that it be provided with written authority to determine which securities are bought or sold including the amounts of those securities and the timing of the transactions.

Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change and/or amend these limitations as required. Such amendments shall be submitted in writing.

Pinnacle Investments has discretionary authority to determine the following:

- Securities to be bought or sold for a client's account
- Amount of securities to be bought or sold for a client's account
- Timing of when securities transactions are made.
- Broker or dealer to be used or recommended for a purchase or sale of securities for a client's account
- Commission rates to be paid to a broker or dealer for a client's securities transactions

### **Item 17: Voting Client Securities**

Client's participating in Pinnacle Investments' Managed Account Programs may or may not receive company proxies on their holdings depending on whether they have authorized the Advisor to vote proxies on their behalf. Pinnacle Investments is not, and has not, been authorized by any clients to vote proxies on their behalf and does not vote client securities.

#### **WFA Programs:**

Proxies for WFA programs are voted by Institutional Shareholder Services Inc. (ISS). For clients interested in seeing how their proxy was voted they can email [ppca@FirstClearing.com](mailto:ppca@FirstClearing.com) requesting that information. Should a

client prefer to receive proxies instead of having ISS vote them, they can complete and submit a First Clearing "Proxy Authorization Form" supplied by Pinnacle Investments.

**AdvisorPro and Pinnacle Capital Management Programs:**

Proxies are made available to Pinnacle Investments and its clients upon request. Therefore, Pinnacle Investments and Pinnacle Capital Management do not vote proxies.

**Betterment:**

The Client delegates to Betterment the authority to receive and vote all proxies and related materials for any security held in the Account. Betterment accordingly will vote on matters requiring a proxy vote for the securities held in the Account and will do so in a way that is reasonably expected to ensure that proxy matters are conducted in the best interest of clients. Client also delegates to Betterment the authority to vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via proxy. Client may request information regarding how Betterment voted a Client's proxies, and a copy of Betterment's proxy policies and procedures by emailing [support@betterment.com](mailto:support@betterment.com). Client acknowledges and agrees that Betterment will vote only on proxies and respond to corporate actions associated with securities that Betterment recommends be purchased for client accounts. Client acknowledges and agrees that Betterment is not responsible for voting proxies or participating in corporate actions for any security until the security is in the possession and control of Betterment Securities.

**Item 18: 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.

Pinnacle Investments 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. Pinnacle Investments has never been the subject of a bankruptcy proceeding and it regularly files financial statements with the SEC. These are available through the SEC.

**Item 19: Requirements For State Registered Advisers**

**Education & Business Background**

Benjamin R Quilty Born: 1981  
Education:  
MBA - Pace University, Financial Management 2010  
Graduated from State University of New York, College at Oneonta B.S. Business Economics 2005  
Certified Financial Planner (CFP®)

Employment History:  
December 2014- Present: Chief Compliance Officer Nysa Series Trust  
February 2013 - Present: Vice-President/Chief Compliance Officer/Treasurer, Pinnacle Advisors LLC  
November 2010 - Present: Financial Advisor, Pinnacle Investments LLC, August 2019 - Present: Chief Executive Officer  
July 2007 - October 2010: Registered Client Service Associate, Citi Personal Wealth Management

Eric D. Krouse BORN: 1959  
Education  
Graduated from University of New Mexico, Anderson School of Management in 1986 with a B.A. in Business Administration.

Employment History  
Pinnacle Holding Company, LLC  
- Chief Operating Officer from 10/2015 to present  
- Chief Financial Officer from 6/2014 to 9/2017

Pinnacle Investments, LLC  
- Chief Operating Officer from 10/2015 to present  
- Chief Compliance Officer from 11/2014 to 10/2015  
- Chief Executive Officer from 01/2011 to 12/2015  
- Chief Operating Officer from 01/2008 to 12/2010.  
- Chief Compliance Officer from 05/2006 to 12/2007  
- Financial Advisor, Vice President from 10/2005 to 05/2006

President, Confidential Planning Corporation from 3/07 to 12/16

Financial Consultant, Smith Barney - Citigroup Global Markets from 12/2000 to 10/2005

Monica A Coles Born: 1983  
Education:  
Attended Binghamton University 2001-2003

Employment History:  
October 2022-Present Chief Compliance Officer, Pinnacle Investments, LLC  
February 2022-October 2022 Director of Compliance, Pinnacle Investments, LLC  
August 2020-February 2022 Head of Supervision, Cadaret Grant  
January 2019-August 2020 Home Office Registered Principal, Cadaret Grant  
February 2017-January 2019 Financial Center Manager, Americu Credit Union  
June 2013-February 2017 Complex Business Service Officer, Morgan Stanley