

# **Prime Capital Investment Advisors, LLC**

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## **Part 2A Appendix 1**

### **Wrap Fee Program Brochure**

#### **for Asset Management Services**

Date of Disclosure Brochure: November 2020

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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Prime Capital Investment Advisors, LLC (also referred to as we, us, Firm, and PCIA throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Anthony Woodard, CCO at 800-493-6226. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about PCIA is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Prime Capital Investment Advisors, LLC or our firm's CRD number 288712.**

\*Registration as an investment adviser does not imply a certain level of skill or training.

**Item 1 – Cover Page**

## Item 2 – Material Changes

In the following Summary of Material Changes, we report only the material change(s) made since the August 20, 2020 update of this Brochure.

- PCIA introduced its *Core Portfolios - Elements Series* which is comprised of passive, index-based strategies that are designed and intended for advisory accounts with an initial investment amount, or an ongoing balance, below \$2,500. The minimum investment amount is \$100.
- PCIA will now assess an additional annual advisory fee of 0.50% (50 Bps) for managing and servicing advisory accounts(s) holding private offerings. Current clients who are receiving asset management services for private offerings will continue to be subject to prior contract terms and fee levels. Such “grandfathered” items are not otherwise available to other clients of PCIA.
- PCIA now has an affiliate named PCRM LLC that is an insurance agency.

Other changes made to Items 4, 5, and 9. Full details are outlined in this Brochure, which is available upon request.

Due to the changes made to this Brochure since prior updates, we suggest that all of our clients carefully review this new Firm Brochure in its entirety and discuss any questions with their investment adviser representative (“IAR”, “rep-advisor”, “financial professional”).

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm’s fiscal year ends. Our firm’s fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Services, Fees and Compensation

PCIA is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Kansas.

PCIA offers asset management services to retail advisory clients through a wrap fee management program. In our wrap fee management program, the fee for advisory services (including asset management) and transaction costs (including ticket charges and commissions on purchase and sales of stocks, bonds, exchange-traded funds and options) are “wrapped” into one fee. Such Asset Management Services are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through PCIA is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and PCIA.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your investment adviser representative (“IAR”) and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Asset Management Services. We also offer other investment advisory services not discussed in this brochure. For information regarding these services, please refer to PCIA’s Form ADV, Part 2A.

### Asset Management Services

PCIA offers asset management services to retail advisory clients, which involves PCIA providing you with continuous and ongoing supervision over your accounts. The PCIA Asset Management Services Program is a wrap fee program. In providing asset management services, PCIA will continuously monitor your account and make trades in your accounts when necessary. Your account will be managed by PCIA based on your financial situation, investment objectives and risk tolerance. PCIA will actively monitor your account and will make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

We recommend that your assets to be allocated to our Asset Management Services Program be maintained in a brokerage account with Schwab Advisor Services division of Charles Schwab & Co., Inc. (“Schwab”), an SEC registered broker/dealer and member NYSE/SIPC. Schwab is the qualified custodian for all accounts established through our Asset Management Services Program. You will appoint PCIA as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. **PCIA does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian will maintain physical custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to

withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

You will authorize PCIA to have trading authorization on your account and we will provide asset management services. You will authorize either discretionary or non-discretionary management in your agreement for our Asset Management Services. If you have authorized us to provide asset management services on a discretionary basis, we will make all decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and limitations on our discretionary authority.

The following strategies, allocations, and portfolios are available through and are pursuant to the Firm's Unified Client Agreement ("UCA"):

### **Core Portfolios**

***Elements Series*** – *Passive, index-based strategies.* This Series is designed and intended for advisory accounts with an initial investment amount, or an ongoing balance, below \$2,500. These strategies use a mix of exchange-traded funds (ETFs) and/or mutual funds and are offered through platforms made available by Schwab.

***Genesis Series*** – *Passive, index-based strategies.* These strategies use a mix of exchange-traded funds (ETFs) and/or mutual funds and are offered through platforms made available by Schwab.

***Generations Series*** – *Passive, index-based strategies* offering a more focused equity component across specific sub-asset classes. These strategies use a mix of exchange-traded funds (ETFs) and/or mutual funds and are offered through platforms made available by Schwab.

***Ambassador Series*** – *Actively managed risk-based strategies.* These strategies use a mix of mutual funds and/or ETFs and are offered through platforms made available by Schwab. PCIA offers two subsets of Ambassador asset allocations, Standard and Tax-aware. *Standard* Ambassador asset allocations are generally recommended for qualified accounts, such as IRAs. *Tax-aware* Ambassador asset allocations seek to achieve greater tax efficiency and are generally recommended for non-qualified or "taxable" accounts.

***Sustainability ESG Series*** – *Actively managed risk-based strategies (built around the ESG criteria)*

Environmental, Social and Governance (ESG), is a concept where investors focus on three factors that have financial relevance when investing into companies:

1. Environmental – Does this company have a positive or negative effect on the environment, human health – the world? Is this firm making a conscious effort to reduce emissions, prevent pollution, limit liabilities, etc.?
2. Social – What impacts will a company have on the community and is there any effect on human rights, morale, etc.?
3. Governance – Is concerned with a firm's internal affairs and relationships, and how they affect its stakeholders. Reporting and disclosure of information is needed for proper

governance and long-term success, and ensures proper checks and balances for risk management and excessive compensation.

Essentially, ESG investing takes into account the aforementioned three factors for fundamental analysis. PCIA evaluates companies using third-party ESG criteria as a framework to screen investments, or to assess risk in our investment decision-making for this Strategy. ESG proponents believe that ESG markers are considered factors in the longevity of a company, and that companies that follow high-quality environmental, social and governance standards are more likely to outperform their peers in the long run. These strategies use a mix of mutual funds and/or ETFs and are offered through platforms made available by Schwab.

### ***Diversified Income Strategy***

PCIA has developed the Diversified Income Strategy to provide clients with a tailored allocation specifically designed for the “distribution or decumulation phase” of their retirement. The strategy seeks to provide client with both access to the required current income and the opportunity to meet their long-term financial objectives through retirement. The Diversified Income Strategy is intended for investors who need to both pay for financial goals in the near term and who seek capital appreciation in their investments yet are reluctant to risk substantial short-term losses.

The Diversified Income Strategy seeks to generate above-average current income using a blend of mutual funds, closed-end funds, and exchange-traded funds “ETF” covering a diverse group of asset classes. Asset classes may include dividend paying common equity, preferred stock, publicly traded Real Estate Investment Trusts “REIT”, master limited partnerships “MLP”, and various types of bonds. Total equity exposure, including REITs and MLPs but excluding preferred stock, will generally target a range of 40-50%. Total fixed income exposure, including preferred stock and cash, will generally target a range of 50-60%. Account supervision is guided by the stated objectives (Investment Policy Statement “IPS”) and risk tolerance of the client. This strategy is offered through platforms made available by Schwab.

## **Satellite Strategies**

### ***Sector Rotation Strategy***

The Sector Rotation strategy is a sector-based price momentum allocation that seeks to capitalize on the continuance of existing trends in the market. The Strategy utilizes sector-based mutual funds and models offered by Guggenheim Partners, LLC (“Guggenheim”). The underlying mutual funds are focused on the following eighteen (18) sectors as defined by Guggenheim: Banking, Basic Materials, Biotechnology, Consumer Products, Electronics, Energy, Energy Services, Financial Services, Health Care, Internet, Leisure, Precious Metals, Real Estate, Retailing, Technology, Telecommunications, Transportation, and Utilities.

PCIA evaluates the aforementioned mutual funds on a quarterly basis using a Six (6)-Month Lookback and a Three (3)-Month Holding Period. The Strategy is reallocated quarterly as needed across the three (3) mutual funds that represent the top three (3) performing sectors as defined and determined by Guggenheim based upon the aforementioned Lookback and Holding Periods. PCIA and Guggenheim are not affiliated. Account supervision is guided by the stated objectives

(Investment Policy Statement “IPS”) and risk tolerance of the client. This strategy is offered through platforms made available by Schwab.

#### ***Tactical U.S. Equity Strategy***

The Tactical U.S. Equity strategy is an aggressive domestic equity strategy with a tactical, flexible mandate that seeks to identify U.S. equity market segments most likely to outperform in the short to intermediate terms using a “top-down approach” consisting of a blend of mutual funds, closed-end funds, and exchange-traded funds “ETF” covering a diverse group of asset classes comprises of U.S. equities. While this strategy generally utilizes a top-down approach, it may also employ “thematic investing.” Asset classes may include dividend paying common equity, U.S. domestic equity ranging across all market capitalizations, publicly traded Real Estate Investment Trusts “REIT”, master limited partnerships “MLP”, preferred stock, and fixed income. Total U.S. equity exposure, including REITs, MLPs, and thematic investments will generally target a 99% allocation. Given the strategy’s objective to achieve capital appreciation, total fixed income, including preferred stock and cash, will generally target a 1% allocation weighting, with the ability to hold up to 25% during times of extreme volatility or rapidly declining market environments. The strategy is reviewed on a frequent basis (no less than monthly) with a shorter-term (3-6-month forward looking) tactical allocation outlook perspective. This strategy is offered through platforms made available by Schwab.

#### ***Tactical International Equity Strategy***

The Tactical International Equity strategy is an aggressive foreign equity strategy with a tactical, flexible mandate that seeks to identify foreign equity market segments most likely to outperform in the short to intermediate terms using a “top-down approach” consisting of a blend of mutual funds, closed-end funds, and exchange-traded funds “ETF” covering a diverse group of asset classes comprises of non-U.S. equities. While this strategy generally utilizes a top-down approach, it may also employ “thematic investing.” Asset classes may include dividend paying common equity, foreign equity ranging across all market capitalizations, publicly traded Real Estate Investment Trusts “REIT”, master limited partnerships “MLP”, preferred stock, and fixed income. Total foreign equity exposure, including REITs, MLPs, and thematic investments will generally target a 99% allocation. Given the fund’s objective to achieve capital appreciation, total fixed income, including preferred stock and cash, will generally target a 1% allocation weighting, with the ability to hold up to 25% during times of extreme volatility or rapidly declining market environments. The strategy is reviewed on a frequent basis (no less than monthly) basis with a shorter-term (3-6-month forward looking) tactical allocation outlook perspective. This strategy is offered through platforms made available by Schwab.

#### ***Focused Equity Strategy***

Focused Equity is an aggressive equity strategy with a flexible mandate that seeks to identify market segments most likely to outperform in the short to intermediate term using a “top-down approach” consisting of a blend of mutual funds, closed-end funds, and exchange-traded funds “ETF” covering a diverse group of asset classes. While this strategy generally utilizes a top-down approach, it may also employ “thematic investing”. Asset classes may include dividend paying

common equity, U.S. domestic equity ranging across all market capitalizations, international equity, publicly traded Real Estate Investment Trusts “REIT”, Master Limited Partnerships “MLP”, preferred stock, and fixed income.

Total equity exposure, including REITs, MLPs, will generally target a 99% allocation weighting. Given the strategy’s objective to outperform the S&P 500 TR, total fixed income, including preferred stock and cash, will generally target a 1% allocation weighting, with the ability to increase to a 25% weighting during times of extreme volatility or rapidly declining market environments. This strategy is reviewed on a monthly basis and has a shorter-term (6-month forward looking) tactical outlook. Account supervision is guided by the stated objectives (Investment Policy Statement “IPS”) and risk tolerance of the client. This strategy is offered through platforms made available by Schwab.

### ***Focused Yield Strategy***

The Focused Yield strategy is designed to aggressively pursue a high level of current income using a blend of mutual funds, closed-end funds, and exchange-traded funds “ETF” covering a diverse group of asset classes. Asset classes may include dividend paying common equity, U.S. domestic equity ranging across all market capitalizations, international equity, publicly traded Real Estate Investment Trusts “REIT”, Master Limited Partnerships “MLP”, preferred stock, fixed income, and alternative investments.

Generally, the strategy will seek globally geographic and asset type diversification, but given the fund’s objective to produce a high level of current income with a minimum target of 6%, the strategy typically will have a larger allocation to fixed income instruments. Account supervision is guided by the stated objectives (Investment Policy Statement “IPS”) and risk tolerance of the client. This strategy is offered through platforms made available by Schwab.

### ***Select Alternative Strategy – Liquid***

The Select Alternative Strategy - Liquid is designed to generate capital appreciation and capital preservation in all market conditions, with low volatility and low correlation to the U.S. domestic equity markets (reference S&P 500 Total Return “TR”). This strategy utilizes a blend of mutual funds, closed-end funds, and exchange-traded funds “ETF” covering a diverse group of asset classes. This strategy primarily invests in the non-Traditional or alternative asset classes as listed below. This strategy may also invest a portion of assets in traditional fixed income.

While the portfolio is reviewed periodically, in general 60% of the portfolio will remain relatively static, with either negative or very low correlation to the S&P 500 TR. The remaining 40% will be more opportunistic, focusing on a relatively short-term market outlook of six (6) to nine (9) months. Account supervision is guided by the stated objectives (Investment Policy Statement “IPS”) and risk tolerance of the client. This strategy is offered through platforms made available by Schwab.

### ***Total Stock Portfolio (Core-Focused)***

A Core-Focused Total Stock Portfolio is designed to generate returns greater than the S&P 500 Total Return “TR” using a blend of stocks (common and preferred) covering a diverse group of



asset classes. A Core-Focused Total Stock Portfolio generally utilizes a “top-down approach” and may also employ a “bottom-up approach” and “thematic investing”. Asset classes may include common equity, U.S. domestic equity ranging across all market capitalizations, international equity, publicly traded Real Estate Investment Trusts “REIT”, Master Limited Partnerships “MLP”, and preferred stock. A Core-Focused Total Stock Portfolio is generally reviewed on a quarterly basis and has a shorter-term (12-month forward looking) tactical outlook.

A Core-Focused Total Stock Portfolio is generally to be diversified or invested across a minimum of three (3) different Sectors as defined by GICS. A Core-Focused Total Stock Portfolio is generally required to hold a minimum of fifteen (15) separate positions wherein a single position should not account for more than twelve-percent (12%) of the overall Portfolio allocation. The “universe” of companies whose stock is available for inclusion in a Core-Focused Total Stock Portfolio is subject to the following parameters:

- Minimum of 50% from S&P 500\*
- Maximum of 20% from S&P Mid-Cap 400\*
- Maximum of 15% from S&P Small-Cap 600\*
- Maximum of 15% from MSCI EAFE\*

\* Index references a respective iShares Exchange Traded Fund (“ETF”) as defined and determined by BlackRock, Inc. Differences in the underlying constituents/components of an actual current index as constructed by Standard & Poor’s Financial Services LLC (“S&P”) or MSCI Inc. (“MSCI”) and an iShares ETF are possible. PCIA and BlackRock, Inc. (iShares) are not affiliated.

A Core-Focused Total Stock Portfolio will generally invest in a balanced blend of “Value” stocks, “Blend/Core” stocks, and “Growth” stocks, as defined and classified by Morningstar. As such, this Strategy will generally target an overall “Value to Growth” ratio of 1:1 (+/- 10%) as determined by Morningstar. For purposes of this Strategy, stocks that are classified by Morningstar as “Blend/Core” will generally be considered to have a “Value to Growth” ratio of 1:1. Given the Strategy’s objective to outperform the S&P 500 TR, cash/money market will generally maintain an allocation weighting of less than 5%, with the ability to increase to a 25% weighting during times of extreme volatility or rapidly declining market environments. Account supervision is guided by the stated objectives (Investment Policy Statement “IPS”) and risk tolerance of the client. PCIA and Morningstar are not affiliated. This strategy is offered through platforms made available by Schwab.

### ***Covered Calls Strategy***

A Covered Calls Strategy is generally defined as an options strategy whereby an investor holds a long position in an asset and writes (sells) call options on that same asset in an attempt to generate increased income from the asset. Thus, this strategy is designed to produce above average current income using a strategic allocation of equities and covered call writing. Asset classes may include common stock, preferred stock, exchange-traded funds “ETF”, publicly-traded Real Estate Investment Trusts “REIT”, call options, and money market/money market funds or other cash equivalents. Generally, more than 60% (median target 80%) of the underlying equity positions will be represented by the stock of companies included in the S&P 500. Up to 40% (median target 20%) of the underlying equity positions may be more speculative in nature, and may be smaller in market

capitalization (minimum \$2 Billion USD). Generally, there will be no specific sector limitations or area of focus. The income generated from Covered Call Writing may be distributed to client as requested, or reinvested into additional positions, including equity or fixed income. Account supervision is guided by the stated objectives (Investment Policy Statement “IPS”) and risk tolerance of the client. This strategy is offered through platforms made available by Schwab.

### **Custom Strategies**

#### ***Focused Yield PLUS Strategy***

The Focused Yield PLUS strategy is designed to aggressively pursue a high level of current income using a blend of mutual funds, closed-end funds, exchange-traded funds “ETF”, and non-daily liquid (non-liquid) investments covering a diverse group of asset classes. Asset classes may include dividend paying common equity, US domestic equity ranging across all market capitalizations, international equity, publicly traded Real Estate Investment Trusts “REIT” (daily liquid and non-daily liquid), Master Limited Partnerships “MLP”, preferred stock, fixed income (including BDCs), and alternative investments.

Generally, the strategy will seek globally geographic and asset type diversification, but given the fund’s objective to produce a high level of current income with a minimum target of 6%, the strategy typically will have a larger allocation to fixed income and non-daily liquid instruments. This strategy is offered through platforms made available by Schwab.

#### ***Alternative Investments***

From time to time, PCIA makes certain alternative investments available to clients who want to (1) have exposure to non-correlated asset classes and/or (2) aggressively pursue growth or a high level of current income through access to non-traditional asset classes. Alternative investments include certain open-end and closed-end mutual funds, interval funds, Master Limited Partnership (“MLP”) shares and non-traded securities (i.e. Real Estate Investment Trusts “REITS” and Business Development Companies “BDC”).

PCIA may recommend alternative investments as part of a custom portfolio (see below) or as a “stand-alone” sleeve or account. Investments by a client in an alternative investment may be on a non-discretionary basis. In these situations, clients must affirmatively subscribe for any such investment. Investors in such alternative investments must meet specific suitability and investor eligibility requirements in order to invest and specific opportunities may require higher levels of investment.

PCIA recommends that investment into alternative investments and other such asset classes/types that are not readily (daily) liquid, in aggregate, encompass no more than 20% of an investor’s total investable net worth (INW). Furthermore, the alternative investment component of a custom portfolio managed by PCIA will comprise no more than 40% of the portfolio’s overall allocation, with no more than 20% allocated to a single offering.

The solicitation or allocation of alternative investments across client portfolios is on a “client-by-client” basis and is generally not accomplished or executed on a pro rata basis as a number of factors will determine whether the alternative investment is appropriate or suitable for a client.

Factors which impact the solicitation or allocation of such investments, include but are not limited to, account size, liquidity, investor qualification, and risk tolerance.

Investing in alternative investments is aggressive, involves a high degree of financial risk, and therefore should always be considered a long-term investment, many times with an indeterminate holding period and with no or very limited liquidity. Interests in non-traded securities are generally not transferable or assignable. Any repurchase features detailed in offering documents are not a guarantee that any of your non-traded shares will be repurchased at your request and should such repurchase take place, there likely will be an early redemption penalty. There are risks associated with alternative investments and entire loss of principal is one of those risks.

PCIA believes alternative investments are generally best-suited for investors who have either a Balanced, Growth, or an Aggressive risk profile as indicated by the Risk Tolerance Survey Questionnaire, but may be utilized in combination with less aggressive investment strategies to further increase diversification. However, investors who choose to participate in alternative investments and whom have a risk profile that differs from the recommended profile(s) listed above should understand that they will be subject to a different degree of risk exposure. Alternative investments are offered through platforms made available by Schwab.

### ***Private Offerings***

From time to time, PCIA makes certain private offerings available to clients who (1) meet the definition of an "Accredited Investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, (2) meet the definition of a "Qualified Client" under SEC Rule 205-3, and (3) want to aggressively pursue growth or a high level of current income through access to private markets. To be considered a qualified client, the client must have, or we must have reasonable belief that the client has, a net worth of more than \$2,100,000 (excluding the client's primary residence) at the time the investment advisory agreement is executed. Sponsors of private offerings may impose additional, more restrictive standards for eligibility.

A private offering or placement is an offering of unregistered securities to a limited pool of investors. In a private offering, a company sells shares of stock in the company or other interest in the company, such as warrants, limited partnerships interests, or bonds, in exchange for cash. Hedge funds and other private funds also engage in private offerings. Such offerings are not and will not be registered under the Securities Act of 1933, state securities laws, or the securities laws of any other jurisdiction.

PCIA may recommend private offerings as part of a custom portfolio (see below) or as a "stand-alone" sleeve or account. Investments by a client in a private offering will be on a non-discretionary basis. As a result, clients must affirmatively subscribe for any such investment. Investors in such private offerings must meet specific suitability and investor eligibility requirements in order to invest and specific opportunities may require higher levels of investment.

PCIA generally recommends an investment amount of no more than 20% of total investable net worth (in aggregate) in private offerings and other such asset classes/types that are not readily (daily) liquid. Furthermore, the private offering component of a custom portfolio managed by PCIA will comprise no more than 40% of the portfolio's overall allocation, with no more than 20% allocated to a single private offering. PCIA also generally recommends that investment into private

offerings that are classified as, or primarily act as, “venture capital”, in aggregate, encompass 5%, or less, (maximum of 10% in certain circumstances) of a client’s total investable net worth, due to the higher level of inherent risk.

Should client desire PCIA to manage the portion of his or her investment into a private offering (“committed capital”) that is considered “uncalled capital”, PCIA recommends that such portion remain invested into the following standard mutual fund and exchange-traded fund allocation:  $1/9$  “Short-Term” Treasury Bond Fund (i.e. remaining maturities 1 to 3 years) +  $1/9$  “Intermediate-Term” Treasury Bond Fund (i.e. remaining maturities 3 to 7 years) +  $1/9$  “Intermediate-Term” Treasury Bond Fund (i.e. remaining maturities 7 to 10 years) +  $6/9$  “2/3” into the Firm’s Genesis Conservative, Genesis Balanced, or Genesis Aggressive allocation. Clients also have the option to manage or self-direct their uncalled capital. Please note that investing uncalled capital into a separate allocation that involves asset types other than money market funds, adds additional layers of risk, including loss of principal, and that any such loss will require client to commit additional assets or monies in order to fulfill his or her private offering obligations and commitments.

The solicitation or allocation of these offerings across qualified client portfolios is on a “client-by-client” basis and is generally not accomplished or executed on a pro rata basis as a number of factors will determine whether the private offering is appropriate or suitable for a client. Factors which impact the solicitation or allocation of such offerings, include but are not limited to, account size, liquidity, investor qualification, and risk tolerance. Please see the section below titled “Additional Compensation, Economic and Non-Economic Benefits” under Item 4 of this Brochure for a description of our conflict(s) of interest associated with certain Private Offerings.

Investing in private offerings is speculative, involves a high degree of financial risk, and therefore should always be considered a long-term investment, with an indeterminate holding period and with no or very limited liquidity. Interests in such offerings are generally not transferable or assignable. Any repurchase features detailed in an offering memorandum are not a guarantee that any of your private offering shares will be repurchased at your request and should such repurchase take place, there likely will be an early redemption penalty. There are risks associated with private offerings and entire loss of principal is one of those risks.

PCIA believes private offerings are generally best-suited for investors who have either a Growth or an Aggressive risk profile as indicated by the Risk Tolerance Survey Questionnaire, but may be utilized in combination with less aggressive investment strategies to further increase diversification. However, investors who choose to participate in private offerings and whom have a risk profile that differs from the recommended profile(s) listed above should understand that they will be subject to a different degree of risk exposure. Private offerings are offered through platforms made available by Schwab.

#### ***Custom IPS and Custom IPS PLUS***

Such custom strategies and portfolios are offered through platforms made available by Schwab.

#### ***Portfolio Corridors***

Most portfolios by nature have a basic “Equity to Fixed Income” composition. “Equity” asset types generally include stocks and equity-based mutual funds or exchange-traded funds “ETF”. “Fixed Income” asset types generally include bonds, bond mutual funds or exchange-traded funds/notes “ETF”/“ETN”, and cash equivalents, such as money market instruments. Therefore, your PCIA custom portfolio will generally adhere to one of the following Portfolio Corridors and their corresponding base “Equity to Fixed Income” guidelines.

Custom Conservative (1)

Custom Conservative portfolios will adhere to a base 25/75 “Equity to Fixed Income” guideline with a tolerance of (+/- 10).

Custom Moderately Conservative (2)

Custom Moderately Conservative portfolios will adhere to a base 40/60 “Equity to Fixed Income” guideline with a tolerance of (+/- 10).

Custom Balanced (3)

Custom Balanced portfolios will adhere to a base 60/40 “Equity to Fixed Income” guideline with a tolerance of (+/- 10).

Custom Growth (4)

Custom Growth portfolios will adhere to a base 75/25 “Equity to Fixed Income” guideline with a tolerance of (+/- 10).

Custom Aggressive (5)

Custom Aggressive portfolios will adhere to a base 90/10 “Equity to Fixed Income” guideline with a tolerance of (+/- 10).

*Custom IPS PLUS*

As a reminder, the private offering or alternative investment component of a custom portfolio managed by PCIA will generally comprise no more than 40% of the portfolio’s overall allocation, with no more than 20% allocated to a single private offering or alternative investment.

The following strategies are pursuant to the Firm’s Performance-Based Advisory Services Agreement and are only available to natural individual clients meeting the SEC’s definition of “qualified clients” under SEC Rule 205-3.

***Opportunistic Growth Strategy***

The Opportunistic Growth Strategy (OGS) is a “Go Anywhere” tactical strategy with a flexible mandate to seek high-level returns through a broad range of investments, including allocation fluctuations from all equity to all cash and cash equivalents, or anywhere in between. The strategy’s priorities are: (1) to seek absolute return, by investing in a broad range of investment vehicles, with the risk profile adjusting between ultra-conservative (all cash) to ultra-aggressive (all growth-style investments), at various times depending on PCIA Investment Advisory Committee outlook; (2) allow for, but not require, the utilization of “Risk Off” management disciplines, unlike traditional “buy and hold” investment strategies in corrective and bearish markets.

Asset classes for OGS may include common stock, preferred stock, exchange traded funds “ETF”, publicly-traded Real Estate Investment Trusts “REIT”, Master Limited Partnerships “MLP”, derivatives (call and put options), mutual funds, closed-end funds, fixed-income, money market/money market funds or other cash equivalents, and other liquid, easily tradable securities.

Given the tactical “Go Anywhere” nature of the strategy, there are no specific requirements to hold any specific amounts of equities or bonds. The range of required asset types, including equities, bonds or cash equivalent instruments will be between 0% to 100%, allowing complete flexibility. Generally, there will also be no specific sector limitations. The investment selection process for equity positions mostly utilizes both a “top-down approach” and a subsequent “bottom-up approach”. The investment selection process for options generally considers implied volatility, volume, current bid/ask spreads (price), and arbitrage opportunities.

The strategy may also invest in additional positions that offer the greatest potential for significant growth, including speculative equity (typically long positions, but could include short positions), options (including LEAPS), mutual funds, closed-end funds, ETFs, or high-yield fixed-income (including bonds rated BB or lower by Standard & Poor’s “S&P”). The investment selection process and trade execution for such investments may involve market timing.

Again, PCIA reserves the right to move all assets invested in OGS to short-term fixed-income, including up to 100% in money market/money market funds or other cash equivalents, during times of extreme volatility or rapidly declining market environments, or as PCIA may otherwise see fit.

This strategy is offered through platforms made available by Schwab.

### ***Absolute Return Strategy***

The Absolute Return Strategy is an aggressive, multi-sleeve strategy with a flexible mandate designed to aggressively pursue growth and a high level of current income in order to achieve positive return regardless of the direction and the fluctuations of the overall equity and fixed-income markets.

Asset classes for the Absolute Return Strategy may include common stock, preferred stock, exchange traded funds “ETF”, publicly-traded Real Estate Investment Trusts “REIT”, Master Limited

Partnerships “MLP”, call and put options, mutual funds, closed-end funds, fixed-income, and money market/money market funds or other cash equivalents.

The primary underlying investment sub-strategy (sleeve) of the Absolute Return Strategy is a Covered Calls Strategy. A Covered Calls Strategy is as an options strategy whereby an investor holds a long position in an asset (stock equity) and writes (sells) call options on that same asset in an attempt to generate increased income from the asset. Thus, this sleeve is designed to produce above average current income using a tactical allocation of equities and covered call writing. Generally, 45% to 55% (median target 50%) of the underlying equity positions will be represented by the stock of companies included in the S&P 500. Conversely 45% to 55% (median target 50%) of the underlying equity positions may be more speculative in nature, and may be smaller in market capitalization (minimum \$500 Million USD). Generally, there will be no specific sector limitations. The investment selection process for underlying equity positions generally utilizes both a “top-down approach” and a subsequent “bottom-up approach”. The investment selection process for call options generally considers implied volatility, volume, current bid/ask spreads (price), and arbitrage opportunities. The investment selection process and trade execution for both underlying equity and options may involve market timing. The income generated from Covered Call Writing may be distributed to client as requested, but will generally be reinvested into another sleeve consisting of additional positions that offer the greatest potential for significant growth, including speculative equity (typically long positions, but could include short positions), options and other options strategies (including LEAPS), mutual funds, closed-end funds, ETFs, or high-yield fixed-income (including bonds rated BB or lower by Standard & Poor's “S&P”). The investment selection process and trade execution for this sleeve may involve market timing.

Other possible sub-strategies or sleeves in addition to the aforementioned Covered Calls Strategy may include a “stand-alone” equity sleeve, a stand-alone sleeve deploying a multi-leg option strategy, or a stand-alone sleeve consisting of mutual funds, closed-end funds, or ETFs. The investment selection process and trade execution for such stand-alone sleeves utilize similar approaches and concepts as listed above. Such stand-alone sleeves, alone or in combination, are intended to encompass a smaller portion (no more than 30%) of a client's total assets invested in the Absolute Return Strategy.

PCIA reserves the right to move all assets invested in the Absolute Return Strategy to short-term fixed-income, including up to 25% in money market/money market funds or other cash equivalents, during times of extreme volatility or rapidly declining market environments.

This strategy is offered through platforms made available by Schwab.

PCIA's fees for asset management services, excluding such services pursuant to a Performance-Based Advisory Services Agreement, most often range between 1.00% and 1.50%, but will not be below 0.25% or above 2.50% of the assets held in the account. However, accounts participating in the Core Portfolios – Elements Series have a minimum annual asset management fee of \$50. Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the level of trading activity, the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client. Thus, PCIA's fees may vary among

clients for the services provided due to such differing client needs, circumstances, objectives, services, and other factors that are deemed at the time to be relevant. It is important to note that it is possible that different investment advisor representatives may charge different fees for providing the same types and level of service to clients. PCIA on occasion provides investment management and advisory services to certain non-profit, charitable organizations and to PCIA IARs and employees (including their spouses and certain immediate family members) at a reduced rate or on a "pro-bono" basis.

Pre-existing retail advisory clients of PCIA which are converting from one of our previous non-wrap fee account Asset Management and Allocation Services (including managed strategies, allocations, or portfolios) to the current asset management services (i.e. wrap fee program) (except for Satellite Strategies - Covered Calls Strategy or strategies pursuant to a Performance-Based Advisory Services Agreement) may negotiate for a lower fee so that such pre-existing clients do not incur additional investment management fees due to the conversion. These grandfathered pricing arrangements are generally not available to new clients of Prime Capital Investment Advisors, LLC.

PCIA may allow accounts of members of the same household to be aggregated in order to negotiate for a lower fee. PCIA may allow such aggregations, for example, where PCIA services accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, trust accounts where the client is Trustee and other types of related accounts.

**The specific level of services you will receive and the fees you will be charged will be specified in your investment management agreement or advisory services agreement.**

***General Account Thresholds for accounts that are charged asset-based fees:***

Core Portfolios - Elements Series, Account Minimum: \$100

Core Portfolios - Genesis Series, Account Minimum: \$2,500

Core Portfolios - Generations Series, Account Minimum: \$10,000

Core Portfolios - Ambassador Series, Account Minimum: \$50,000

Core Portfolios - Sustainability ESG Series, Account Minimum: \$5,000

Core Portfolios - Diversified Income Strategy, Account Minimum: \$100,000

Satellite Strategies - Sector Rotation Strategy, Account Minimum: \$5,000

Satellite Strategies - Tactical U.S. Equity Strategy, Account Minimum: \$10,000

Satellite Strategies - Tactical International Equity Strategy, Account Minimum: \$10,000

Satellite Strategies - Focused Equity Strategy, Account Minimum: \$50,000

Satellite Strategies - Focused Yield Strategy, Account Minimum: \$50,000

Satellite Strategies - Select Alternative Strategy – Liquid, Account Minimum: \$50,000

Satellite Strategies - Total Stock Portfolio (Core-Focused), Account Minimum: \$250,000

Satellite Strategies - Covered Calls Strategy, Account Minimum: \$1,000,000

Custom Strategies - Private Offering, Account Minimum: See applicable *Offering Memorandum or Documents*

Custom Strategies - Alternative Investments, Account Minimum: \$50,000 or sponsor minimum, whichever is greater

Custom Strategies - Focused Yield PLUS Strategy, Account Minimum: \$250,000

Custom Strategies - Custom IPS, Account Minimum: \$2,500

Custom Strategies - Custom IPS PLUS, Account Minimum: \$1,000,000

Fees charged for our asset-based, asset management services are based on a percentage of assets under management, either as a "flat percentage rate" or as a "percentage tiered". Again, accounts participating in the Core



Portfolios – Elements Series have a minimum annual asset management fee of \$50. Accounts that are billed in arrears, may be billed either on a monthly or quarterly calendar basis and are calculated based on the fair market value of your account as of the last business day of the current billing period. No fee will be charged on Accounts until the assets are under PCIA’s Management. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

Accounts that are billed in advance, may be billed either on a monthly or quarterly calendar basis and are calculated based on the fair market value of your account as of the last business day of the prior billing period. No fee will be charged on Accounts until the assets are under PCIA’s Management. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period’s fee is billed.

Fees are assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets under management.

#### ***Fees associated with Alternative Investments***

Clients will be subject to both the alternative investment’s management fees and/or performance-based fees and PCIA’s own advisory fees. The fees, expenses, and investment minimums of each alternative investment are fully described in the offering materials. Investors in such alternative investments must meet specific suitability and investor eligibility requirements in order to invest and specific opportunities may require higher levels of investment. As previously mentioned, PCIA’s advisory fees for asset management services, excluding such services pursuant to a Performance-Based Advisory Services Agreement, range between 0.25% up to a maximum of 2.50% of the assets held in the account. However, PCIA’s advisory fee for alternative investment that are recommended as a “stand-alone” sleeve or account will not exceed 1.0% annually.

In either circumstance, if said advisory services are commenced in the middle of the billing period, then the prorated advisory fee for that billing period will be billed in arrears at the end of that billing period. The fair market value of the alternative investment is determined by the general partner, firm, or company that created or sponsored the offering, not PCIA. Clients are also expected to maintain a sufficient level of cash or money market funds within their accounts holding alternative investments in order to cover PCIA advisory fees. In cases where the alternative investment is intended as a “stand alone” sleeve or account, the client, or account owner, is required to maintain a cash or cash-equivalent balance equal to the annual advisory fee charged by PCIA.

#### ***Fees associated with Private Offerings***

Clients will be subject to both the private offering's management fees and/or performance-based fees and PCIA’s own advisory fees. The fees, expenses, and investment minimums of each private offering are fully described in the offering materials. Investors in such private offerings must meet specific suitability and investor eligibility requirements in order to invest and specific opportunities may require higher levels of investment. As previously mentioned, PCIA’s advisory fee(s) for asset management services, excluding such services pursuant to a Performance-Based Advisory Services Agreement, range between 0.25% up to a

maximum of 2.50% of the assets held in the account. PCIA will assess an additional annual advisory fee of 0.50% (50 Bps) for managing and servicing advisory accounts(s) holding private offerings. However, PCIA's total annual advisory fee(s), including the aforementioned additional 0.50% annual fee, will not exceed 2.50%. Current clients who are receiving asset management services for private offerings will continue to be subject to prior contract terms and fee levels. Such grandfathered items are not otherwise available to other clients of PCIA.

For an account(s) wherein PCIA DOES manage uncalled capital, PCIA's advisory fee with respect to private offerings will be billed in arrears on a quarterly calendar basis and is calculated based on the fair market value of said account, as of the last business day of the current billing period.

For an account(s) wherein PCIA DOES NOT manage uncalled capital, PCIA's advisory fee with respect to private offerings will be billed in arrears on a quarterly calendar basis and is calculated based on the fair market value of "called capital" (a/k/a "drawn capital", "paid-in capital") as of the last business day of the current billing period.

In either circumstance, if said advisory services are commenced in the middle of the billing period, then the prorated advisory fee for that billing period will be billed in arrears at the end of that billing period. The fair market value of the private offering and its underlying called capital and uncalled capital amounts are determined by the general partner, firm, or company that created or sponsored the offering, not PCIA. Clients are also expected to maintain a sufficient level of cash or money market funds within their accounts holding private offerings in order to cover PCIA advisory fees. In cases where the private offering is intended as a "stand alone" sleeve or account, the client, or account owner, is required to maintain a cash or cash-equivalent balance equal to (i) 1% of the committed capital amount or (ii) the annual advisory fee charged by PCIA, whichever is less.

### ***Performance Based Fees***

Under certain situations, PCIA charges performance-based fees to investors who meet the definition of "qualified client". Under these arrangements, you will be charged a fee based on the assets under management within your account and in accordance with the fee schedule and parameters detailed below. As a result, PCIA has developed two basic fee schedules. The first fee schedule illustrated above is applied to non-qualified clients and the second fee schedule is applied to qualified clients.

To be considered a qualified client of PCIA, the client must have at least \$1 million under management with our firm immediately after entering into an advisory contract or we must have reasonable belief that the client has a net worth of more than \$2,100,000 (excluding the client's primary residence) at the time the investment advisory agreement is executed.

Qualified clients are typically charged an annual base fee of *(0.70% for Opportunistic Growth Strategy; 1.50% for Absolute Return Strategy)* on their assets under management, on a quarterly basis, in arrears. Such fees are negotiable. In addition to the annual base fee based on the value of the client's assets under management, we are compensated for our asset management services through a performance-based fee. Under this arrangement, the client will be charged a fee contingent upon the performance within the client's account(s). The performance-based fee will be tied to the capital appreciation (i.e. capital gains) within the account as evaluated semi-annually at the end of each semi-annual calendar period (i.e. June 30

and December 31). The performance-based fee will be payable semi-annually, in arrears. The performance-based fee will not exceed 20% of the capital appreciation attained within the client's account.

In order for our firm to receive a performance-based fee, we must achieve capital appreciation within the account. We will charge performance-based fees in adherence with a high-water mark (i.e., no performance-based fee will be earned unless the Account's performance exceeds the previously achieved high water mark where performance-based fees were charged). The high-water mark will be used in order to prevent a scenario whereby we could receive a performance-based fee merely for recouping prior losses. Any contribution of funds or securities to the Account will increase the high-water mark by a corresponding amount, and any distributions of funds or securities from the Account will lower the high-water mark by a corresponding amount.

***Account Threshold for accounts that are charged performance-based fees:***

A minimum investment of \$100,000 USD is required for the Opportunistic Growth Strategy.

A minimum investment of \$1,000,000 USD is required for the Absolute Return Strategy.

The only compensation received by PCIA for asset management services is the annual fee as specified in the client's investment management agreement or advisory services agreement. PCIA receives no other forms of compensation in connection with providing asset management services. We have agreed with Schwab that the wrap fee we charge you will not be more than the fees we pay Schwab plus the stand-alone investment advisory fee we would otherwise separately charge you (i.e., we don't mark up Schwab's fees).

PCIA believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. Furthermore, the aforementioned maximum annual asset-based fee of 2.50% is higher than that normally charged in the industry. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

PCIA is responsible for the fee calculation and requesting the debiting all fees from your accounts held at the qualified custodian(s). The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Except as otherwise provided below, client will incur no charges other than the adviser's fee pursuant to the client's investment management agreement or advisory services agreement in connection with the maintenance of and activity in client's account. The fees not included in the advisory fee for our wrap services are 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, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. PCIA's wrap fee does not include embedded ETF fees, regulatory surcharges, custodian fees such as account termination, IRA annual and maintenance fees, trade away fees and other non-commission / transaction based administrative fees. You may also incur certain charges imposed by third parties other than PCIA

in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, qualified retirement plan fees, and other charges imposed by the qualified custodian(s) of your account. Management fees charged by PCIA are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. Sales charges and 12b-1 fees are not to be paid to PCIA as we do not accept any sales charges or 12b-1 fees. Should such charges or fees be paid to PCIA, PCIA will direct the applicable custodian or platform to remit such charges or fees back to the client. PCIA seeks to utilize the lowest cost options available when prudent. Thus, PCIA also periodically monitors for changes to a fund family's or a platform's share class offerings that provide cost savings opportunities to our clients. To the extent that securities transactions are executed away from Schwab then there may be commission mark-up and mark-downs that the client will pay in addition to the PCIA wrap fee.

The asset management services continue in effect until terminated by either party (i.e., PCIA or you) by providing written notice of termination to the other party. When fees are billed in arrears, PCIA will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment. For accounts that are billed in advance, the final fee will also be pro-rated. The amount is based on the number of days of service provided during the current period. If a contract is terminated after fees have been collected for a given period, a prorated refund of such fees will promptly (within 30 days) be credited to you for that period.

Effective with the date of termination, we shall refrain, without liability or obligation, from taking any further action in your Account(s). In addition, from the date of termination, we will cease to be entitled to receive fees. This cancellation will be subject to any changes related to the settlement of transactions in progress and the final payment of advisory fees.

Clients should be aware that management services billed as a percentage of assets managed could still lead to potential conflicts of interest between PCIA and clients. For example, conflicts could arise relating to financial decisions in life that do not involve contributing to an asset management account, such as incurring or paying down debt; gifting to charities or individuals; purchasing a home, car or other non-investment assets; purchasing a lifetime immediate annuity; travel or other expenditures; investments in private equity programs (private real estate ventures, closely held businesses, etc.); and placing funds in non-managed cash reserve accounts. PCIA's goal is that its recommendations are always made with the best interests of its clients in mind, disregarding any impact the decision has on PCIA.

The exact fee and fee arrangements may vary or be different than that described above based on the complexity of client's situation, number of accounts managed, total assets under management and other factors specific to the client. The exact fee arrangements for each client will be specified in that client's investment management agreement or advisory services agreement with PCIA.

## **Block Trading**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when PCIA believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a

more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. PCIA uses the average price allocation method for transaction allocation. Under this procedure PCIA will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account. If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which PCIA or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. Neither we nor our associated persons receive any additional compensation as a result of block trades. As part of its fiduciary duty to put the interest of its clients first, non-advisory retail accounts and advisory accounts of our associated persons will not be included in PCIA Advisory-client trade blocks or batches. Specifically, advisory accounts of our associated persons are segregated from the advisory accounts of our clients. While all such advisory accounts, both for our clients and for our associated persons, can share a common asset allocation, strategy, or investment objective, any strategy-level, batch or block trade orders for the advisory accounts of our associated persons will be entered no sooner than five (5) days after such comparable trade orders were entered for our clients' advisory accounts. PCIA's ability to block trades may be impaired or affected by limitations and restrictions imposed by the applicable custodian or platform. Such ability may also be impaired or affected by limitations and restrictions imposed by a product sponsor or fund company including, but not limited to, holding or redemption periods or whether a fund or security is or remains available for transacting. PCIA's ability to block trades may also be impaired or affected by any client-specific instructions or restrictions and various account-specific characteristics such as account or transfer status, current account holdings, or transaction history.

## **Suitability and Investment Strategy**

PCIA will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening an Asset Management account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year); short term purchases (investments sold within a year); frequent trading; short sales; margin transactions; and option writing, including cover options, uncovered options or spreading strategies.

## **Additional Compensation, Economic and Non-Economic Benefits**

Some of PCIA's associated persons sell securities in a separate capacity as registered representatives with Private Client Services. Some associated persons are also independently licensed insurance agents and sell insurance products. They earn commissions when selling these products. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer or as an agent of an insurance company. Consequently, the objectivity of such advice rendered to you would be biased. Some of the advice offered by these associated persons involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. These associated persons will receive a portion of these 12b-1 fees in their separate capacities as registered representatives, as PCIA does not accept any sales charges or 12b-1 fees. Clients should be aware that these 12b-1 fees come from fund assets and, thus, indirectly from client's assets. Therefore, when 12b-1 fees are charged against the assets of a mutual fund, the investor's return on such mutual fund is reduced accordingly. The receipt of these fees also represents an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees,

therefore creating a conflict of interest. The associated persons endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. PCIA also provides clients and customers at the commencement of advisory services or at the time of sale with a document that illustrates the differences between advisory accounts and commissionable accounts so that such clients and customers can consider the differences between an advisory and a commissionable relationship when working with their PCIA financial professional. Clients are under no obligation to use the services of our representatives in their separate capacities as a registered representative of a securities broker-dealer or an insurance agent.

PCIA has an affiliate named PCRMLLC that is an insurance agency. PCRMLLC can and will often times receive override commissions on the sale of insurance-based products. The receipt of override commissions creates an incentive to recommend to you those products for which your rep-advisor, and in turn PCIA's affiliate, PCRMLLC, will receive compensation. Consequently, the objectivity of such advice given to you would be biased. PCIA will manage this conflict by developing and providing an informed recommendation in the best interest of you, the client. Again, you are under no obligation to purchase insurance products from your PCIA financial professional or to use the services of our representatives in their separate capacities as insurance agents.

A conflict of interest arises when PCIA makes recommendations about plan distributions and rollovers ("rollover recommendations"), if it results in PCIA receiving compensation that it would not have received absent the recommendation, for example, fees for advising a rollover IRA. PCIA will manage this conflict by developing and providing an informed recommendation in the best interest of the client. No client is under an obligation to roll over ERISA plan or IRA assets to an account advised by PCIA. The rollover recommendations occur in two scenarios. The first is where PCIA is serving as a fiduciary adviser to a private sector retirement plan. In that case, the rollover recommendation is fiduciary advice under both the Investment Advisers Act of 1940 (Advisers Act) and the Employee Retirement Income Security Act (ERISA). In addition to being a conflict of interest as described above, it is also a prohibited transaction under ERISA where PCIA receives compensation from the rollover IRA that is greater than the compensation, if any, being received from the participant's account in the plan. In that circumstance, PCIA will comply with the conditions of exceptions to the prohibited transaction rules (e.g., a prohibited transaction exemption or non-enforcement policy). The second scenario is where PCIA is not providing ERISA fiduciary advisory services to the plan. In that case, a rollover recommendation is not a prohibited transaction under ERISA, but it is a conflict of interest under the Advisers Act because of the compensation received by PCIA from the rollover IRA. We attempt to further control for this conflict by always basing investment advice and decisions on the individual needs of our clients.

From time to time, we receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

The principal executive officers, directors, and other employees of PCIA may, from time to time, receive incentive awards for the recommendation or introduction of investment products. The receipt of this compensation affects PCIA's judgment in recommending products to its clients. The associated persons endeavor at all times to put the interest of the clients first as a part of their fiduciary duty.

Certain representatives of PCIA are also licensed as investment adviser representatives with FIDUCIARY INVESTMENT TRUSTS, LLC. PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC are affiliates, under common control. Through FIDUCIARY INVESTMENT TRUSTS, LLC, the representatives provide asset management services as well as referrals to sub-advisors. They earn advisory fees when providing these services through FIDUCIARY INVESTMENT TRUSTS, LLC. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. Additionally, these representatives have an inherent conflict of interest in recommending collective investment funds ("Funds") managed by either PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC to clients. Due to the fact that PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC are affiliates, to avoid a conflict of interest, any retirement plan utilizing PCIA's Fiduciary Consulting Services will need to make its own independent investigation and evaluation of Funds managed by PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC. Due to the fact that PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC are affiliates and to avoid receiving two layers of management fees, to the extent that a retirement plan utilizes PCIA's for Fiduciary Consulting Services and invests in Funds managed by PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC, PCIA will not assess against the value of such Funds any asset-based fee for Fiduciary Consulting Services. PCIA may credit the portion of the management fees paid by the Funds to PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC with respect to a retirement plan account's investment in the Funds against the account-level advisory fees the particular retirement plan account owes PCIA. Please note, such retirement plans will be paying indirect compensation to PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC since the Funds will charge the retirement plan for Funds expenses which will include investment management fees paid to PCIA or FIDUCIARY INVESTMENT TRUSTS, LLC.

## **Item 5 – Account Requirements and Types of Clients**

### **Minimum Account Size**

PCIA generally requires a minimum account size to open an account, which will vary by strategy as disclosed below. Exceptions may be granted to this minimum in consideration of (1) the current aggregate investable balance of all household retail advisory accounts managed by PCIA and/or (2) current and/or expected cash/asset inflow and outflow for the account over the next twelve (12) months.

- Core Portfolios - Elements Series, Account Minimum: \$100
- Core Portfolios - Genesis Series, Account Minimum: \$2,500
- Core Portfolios - Generations Series, Account Minimum: \$10,000
- Core Portfolios - Ambassador Series, Account Minimum: \$50,000
- Core Portfolios - Sustainability ESG Series, Account Minimum: \$5,000
- Core Portfolios - Diversified Income Strategy, Account Minimum: \$100,000
- Satellite Strategies - Sector Rotation Strategy, Account Minimum: \$5,000
- Satellite Strategies - Tactical U.S. Equity Strategy, Account Minimum: \$10,000
- Satellite Strategies - Tactical International Equity Strategy, Account Minimum: \$10,000
- Satellite Strategies - Focused Equity Strategy, Account Minimum: \$50,000
- Satellite Strategies - Focused Yield Strategy, Account Minimum: \$50,000

- Satellite Strategies - Select Alternative Strategy – Liquid, Account Minimum: \$50,000
- Satellite Strategies - Total Stock Portfolio (Core-Focused), Account Minimum: \$250,000
- Satellite Strategies - Covered Calls Strategy, Account Minimum: \$1,000,000
- Custom Strategies - Private Offering, Account Minimum: *See applicable Offering Memorandum or Documents*
- Custom Strategies - Alternative Investments, Account Minimum: \$50,000 or sponsor minimum, whichever is greater
- Custom Strategies - Focused Yield PLUS Strategy, Account Minimum: \$250,000
- Custom Strategies - Custom IPS, Account Minimum: \$2,500
- Custom Strategies - Custom IPS PLUS, Account Minimum: \$1,000,000

A minimum investment of \$100,000 USD is required for the Opportunistic Growth Strategy.

A minimum investment of \$1,000,000 USD is required for the Absolute Return Strategy.

The account size and related fees may also be negotiable under certain circumstances, such as its applicability to family members, employees, or employees of affiliated companies and their family members. For purposes of this section only, family member is defined as spouse, and/or minor children.

## **Types of Accounts**

PCIA generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Banks or thrift institutions
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with PCIA specifying the particular advisory services in order to establish a client arrangement with PCIA.

## **Item 6 – Portfolio Manager Selection and Evaluation**

PCIA and its Investment Adviser Representatives act as the portfolio manager(s) for accounts receiving our Asset Management Services. Our Asset Management Service is considered a wrap fee program. For this service, we do not allow the use of portfolio managers that are not associated with PCIA. In other words, the only portfolio managers selected for managing client assets for our Asset Management Services are Investment Adviser Representatives of PCIA. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our wrap fee program. Because our Asset Management Services program does not provide for outside portfolio managers, we do not have procedures designed to select outside portfolio managers.



## Participation in Wrap Fee Programs

PCIA offers asset management services, through our Asset Management Services Program, which is a wrap fee management program. In our wrap fee management program, the fee for advisory services (including portfolio management or advice regarding selecting other investment advisers) and transaction services are provided for one fee. Whenever a fee is charged to a client for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

## Limits Advice to Certain Types of Investments

PCIA may provide investment advice on the following types of investments:

- Certificates of deposit
- Closed-end fund shares
- Collective Investment Trusts (“CIT”s)
- Corporate debt securities (other than commercial paper)
- Direct Participation Programs (“DPP”s)
- Exchange-listed securities
- Exchange-traded fund shares or units (“ETF”s)
- Exchange-traded notes (“ETN”s)
- Foreign issues
- Interests in Partnerships
- Interval fund shares
- Master Limited Partnerships (“MLP”s)
- Municipal securities
- Mutual fund shares (including money market mutual funds)
- Open-end fund shares
- Options contracts on securities
- Private Offerings or Placements
- Real Estate Investment Trusts (“REIT”s)
- Securities traded over-the-counter
- Separate account shares
- Stable value products (including guaranteed income funds)
- Unit Investment Trusts (“UIT”s)
- United States government securities
- Variable annuities
- Variable life insurance

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client’s specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our

investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

PCIA's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

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

As described above in Item 4 – Services, Fees and Compensation, PCIA charges certain clients a performance fee, which is based upon a share of capital gains or capital appreciation of the assets of such client. All performance-based fees are negotiated with each client. As mentioned above, we also provide services and are compensated on asset-based fees, which are based on the total amount of assets owned by the client. Therefore, PCIA may simultaneously manage accounts that are charged performance-based fees and accounts that are charged asset-based fees. This portfolio management relationship is referred to as “side-by-side management.”

There are conflicts of interest PCIA faces by managing performance-based accounts at the same time as managing asset-based, non-performance-based accounts. For example, the nature of a performance fee poses an opportunity for PCIA to earn more compensation than under a stand-alone asset-based fee. Consequently, PCIA may favor performance fee accounts over those accounts where we receive only an asset-based fee. One way PCIA may favor performance fee accounts is that we may devote more time and attention to performance fee accounts than to accounts under an asset-based fee arrangement. While PCIA devotes an equivalent proportion of time to the management of performance fee accounts and asset-based fee accounts, our Firm's strategies associated with a performance-based fee structure are different and thus require more total or absolute time to manage than those strategies associated with an asset-based fee structure as said strategies are more tactical from a time, investment management and selection, and operations standpoint.

In providing side-by-side management, a portfolio manager could utilize substantially similar investment strategies and invest in substantially similar assets for both account types. While PCIA may manage substantially similar assets for both account types, the investment strategies utilized by PCIA for accounts that are charged performance-based fees are not substantially similar to the investment strategies utilized by PCIA for accounts that are charged asset-based fees.

There are other conflicts associated with performance fees that are not as common under an asset-based fee arrangement. Since an adviser is compensated based on capital gains or capital appreciation in a performance fee arrangement, these arrangements could give an investment adviser an incentive to time transactions in a client's account on the basis of fee considerations rather than on what is in the best interest of the client.

The nature of performance fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect in that results could equal

higher returns when compared to an asset-based fee account. Conversely, riskier investments historically have a higher chance of losing value. On the other hand, compared to a performance-based fee account, PCIA will likely have an interest in engaging in relatively safer investments when managing accounts that pay asset-based fees. Thus, there are advantages and disadvantages associated with either type of fee arrangement. PCIA's investment management services are based on your risk tolerance and your individual needs and preferences.

Performance fees can potentially cause an investment adviser to engage in transactions or strategies which will increase the amount of the performance fees, but which may not increase the overall performance of the client's account. For example, an account may lose value during a year and no performance fee will be earned. In the following year, PCIA may receive a performance fee for simply recouping losses from the previous year. PCIA controls for this potential conflict of interest by using the high-water mark fee calculation method described in the preceding paragraph. PCIA does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees charged by PCIA may be higher than the performance fees charged by other investment advisers for the same or similar services. Additionally, other investment advisers may evaluate or determine the capital appreciation of performance-based accounts and update the high-water mark less frequently than semi-annually, which may positively impact net-of-fee returns.

PCIA has also established additional policies and procedures to address the various conflicts of interest and regulatory requirements associated with charging a performance fee:

- Only clients that are able to assume additional risk are solicited to engage in a performance fee arrangement. PCIA provides such clients full disclosure of the additional risks associated with a performance fee arrangement.
- Client accounts subject to a performance fee are evaluated on an initial basis and every three years thereafter to determine whether the performance-based fee, as compared to a tradition asset-based fee, is in the client's best interest.

Performance based fee arrangements of PCIA will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance-based compensation to PCIA. A natural person or company must meet the following conditions to be considered a qualified client:

- (1) Have at least \$1,000,000 under management with PCIA at the time the client enters into an agreement with PCIA; or
- (2) Provide documentation to PCIA so that PCIA will reasonably believe the client has either a net worth of \$2,100,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

## **Methods of Analysis**

PCIA uses the following methods of analysis in formulating investment advice:

*Bottom-Up Investing.* This method initially involves evaluating specific companies and securities before evaluating higher-level components such as industries, sectors, and the overall state of the economy (macroeconomic). Investment decisions are therefore primarily based upon the strength of an individual company.

Charting. This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends. Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical. This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins. While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental. This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Modern Portfolio Theory. This is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Technical. This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper

interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

*Thematic.* This method takes a “top-down” approach to investing and involves making investment decisions based on predictions about trends or other forward-looking criterion, rather than on past market performance and indicators or the fundamentals of a specific security.

*Top-Down Investing.* This method involves evaluating the overall state of the economy (macroeconomic) and then further evaluating the various components and sub-components in greater detail. For example, after evaluating the high-level economic environment, either on a global or domestic scale, analysts further examine the various market and industrial sectors in order to select those areas that are forecasted to outperform the overall market. Analysts then further evaluate specific asset classes and the securities of specific companies to determine an allocation or portfolio.

There are risks involved in using any analysis method. To conduct analysis, PCIA gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

## **Investment Strategies**

PCIA uses the following investment strategies when managing client assets and/or providing investment advice:

*Long term purchases.* Investments held at least a year.

*Short term purchases.* Investments sold within a year.

*Frequent trading.* This strategy refers to the practice of selling investments within 30 days of purchase.

*Option writing including covered options, or spreading strategies.* Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

*Short sales.* A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price

and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from PCIA.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Concentration Risk. Investments or portfolios that concentrate their assets in a particular security, market, industry, sector, country, or asset class, may be subject to greater risk of loss than is a more widely diversified investment.

Covered Call Risk. The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price, but continues to bear the risk of a decline in the value of the underlying interest.

Credit and Counterparty Risk. The issuer or guarantor of a fixed-income security, counterparty to an OTC derivatives contract, or other borrower may not be able to make timely principal, interest, or settlement payments on an obligation. In this event, the issuer of a fixed-income security may have its credit rating downgraded or defaulted, which may reduce the potential for income and value of the portfolio.

Equity (stock) Market Risk. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

*ETF and Mutual Fund Risk.* When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

*Fixed Income Risk.* When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

*Hedging Strategy Risk.* While a given non-traditional or alternative asset may provide adequate diversification, many such assets use hedging strategies such as shorting securities, leverage, options, and numerous other derivative instruments in order to hedge away a security's underlying inherent risk. Consequently, such hedging strategies may increase secondary exposure to Hedging Strategies Risk. Hedging Strategies Risk may limit the opportunity for gains compared with unhedged investments, and there is no guarantee that hedges will actually reduce risk. An investment's use of leveraging or derivatives may result in a disproportionately magnified gain or loss.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates (in the U.S. or other world markets) may reduce (or increase) the market value of a bond you hold.

*Liquidity Risk.* Liquidity Risk is the risk stemming from the lack of immediate marketability (or an available market) of an investment that cannot be bought or sold quickly enough to meet the investor's immediate needs or to prevent or minimize a loss.

*Management Risk.* Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease. This risk also pertains to strategies and portfolios managed by sub-advisors.

*Margin Risk.* When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you. If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and PCIA and held by the account custodian or clearing firm. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.

- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

*Market Risk.* Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

*Options Risk.* Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

*Sector Risk.* Concentrating assets in a given sector may disproportionately subject the portfolio to the risks of that industry, including loss of value because of economic recession, availability of credit, volatile interest rates, government regulation, and other factors.

*Underlying Fund/Fund of Funds Risk.* A portfolio’s risks are closely associated with the risks of the securities and other investments held by the underlying or subsidiary funds, and the ability of the portfolio to meet its investment objective likewise depends on the ability of the underlying funds to meet their objectives. Investment in other funds may subject the portfolio to higher costs than owning the underlying securities directly because of their management fees.

## **Voting Client Securities**

PCIA does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager’s disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager’s proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting PCIA at the address or phone number indicated on Page 1 of this disclosure document.



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

Only Investment Adviser Representatives of PCIA serve as portfolio managers for our Asset Management Services Program. Our associated Investment Adviser Representatives are responsible for gathering all information provided by you. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services through our Asset Management Services Program. You are responsible for promptly contacting your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. Since we do not use any outside portfolio managers, we do not share your information with any outside portfolio managers.

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

Only Investment Adviser Representatives of PCIA serve as portfolio managers for our Asset Management Services Program. There are no restrictions placed on your ability to contact and consult with their portfolio managers. It is the policy of PCIA to provide for open communications between the Investment Adviser Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

## **Item 9 - Additional Information**

### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

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

PCIA is not and does not have a related person that is a Broker-Dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships. PCIA does have an affiliate named FIDUCIARY INVESTMENT TRUSTS, LLC that is a registered investment adviser. FIDUCIARY INVESTMENT TRUSTS, LLC has been registered as an investment adviser since July 16, 2018. FIDUCIARY INVESTMENT TRUSTS, LLC and Prime Capital Investment Advisors, LLC are under common control. The CRD number for FIDUCIARY INVESTMENT TRUSTS, LLC is 296964.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities except those described below in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with PCIA.

### ***Dually Registered as an Investment Adviser Representative***

Certain representatives of PCIA are also licensed as investment adviser representatives with FIDUCIARY INVESTMENT TRUSTS, LLC. PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC are affiliates, under common control. Through FIDUCIARY INVESTMENT TRUSTS, LLC, the representatives provide asset management services as well as referrals to sub-advisors. They earn advisory fees when providing these services through FIDUCIARY INVESTMENT TRUSTS, LLC. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. Please see Item 4 of this Brochure for a description of this other compensation and the conflicts of interest associated with it. Like FIDUCIARY INVESTMENT TRUSTS, LLC, PCIA is an investment adviser to Funds and receives a management fee for its services. Please refer to Item 5 of this Brochure for a description of our fees. Increases in Fund assets will result in increases in the management fee paid to PCIA. PCIA will provide Funds with certain administrative services and personnel needed to fulfill our obligations as the investment adviser. If the representatives of FIDUCIARY INVESTMENT TRUSTS, LLC provide asset management or referral services to you, you will be given the disclosure brochure of FIDUCIARY INVESTMENT TRUSTS, LLC describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both PCIA and FIDUCIARY INVESTMENT TRUSTS, LLC and direct questions to your representative.

### ***Registered Representative of a Broker-Dealer***

Many of our representatives are also registered representatives of Private Client Services (“Broker-Dealer”), a securities broker-dealer. PCIA and Private Client Services are not affiliated. You may work with your investment adviser representative in his or her separate capacity as a registered representative of Private Client Services. When acting in his or her separate capacity as a registered representative, your investment adviser representative can sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative can suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. Please see Item 4 of this Brochure for a description of this other compensation and the conflicts of interest associated with it.

### ***Third-Party Money Managers***

PCIA has developed several programs, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to PCIA’s Form ADV Part 2A for full details regarding the programs, fees, conflicts of interest and materials arrangements when PCIA selects other investment advisers.

### ***Insurance Agent or Agency***

The sale and service of insurance-based products require an appropriate insurance license. Your PCIA investment adviser representative may be independently licensed as an insurance agent and sell insurance-based products such as general disability income insurance and fixed, non-variable life insurance and

annuities. Your rep-advisor's role as an insurance agent will be different from his or her role as an investment adviser representative through PCIA; it is a separate capacity. These rep-advisors will earn commissions when selling insurance-based products. Your investment adviser representative in his or her separate capacity as an insurance agent, can suggest that you implement recommendations of PCIA by purchasing such insurance-based products. PCIA has an affiliate named PCRM LLC that is an insurance agency. PCRM LLC can and will often times receive override commissions on the sale of such products. The receipt of sales commissions and override commissions creates an incentive to recommend to you those products for which your rep-advisor, and in turn PCIA's affiliate, PCRM LLC, will receive compensation. Please see Item 4 of this Brochure for a description of this other compensation and the conflicts of interest associated with it. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative or PCRM LLC.

## **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. PCIA has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. PCIA requires its supervised persons to consistently act in your best interest in all advisory activities. PCIA imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of PCIA. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### ***Affiliate and Employee Personal Securities Transactions Disclosure***

PCIA or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of PCIA that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. PCIA and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based

on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.

- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of PCIA.

***Any associated person not observing our policies is subject to sanctions up to and including termination.***

## **Account Reviews**

PCIA IARs periodically review their designated client accounts on a regular basis and no less than annually. Client accounts are reviewed for appropriateness in light of each client’s investment objectives, risk tolerance and financial goals. PCIA’s Vice Chairman, Tim Hakes, is responsible for the general oversight of all supervised persons, and has ultimate authority over portfolio management, fundamentals, model portfolio constituents, asset allocation and areas of potential concern.

Portfolio securities and markets are monitored on an on-going basis. PCIA's allocations, strategies, and portfolios for retail advisory clients including Core Portfolios and Satellite Strategies are reviewed during the Investment Advisory Committee meetings. Reviewers will generally consist of one or more members of the Firm’s Investment Advisory Committee (“IAC”). The IAC is a committee comprised of multiple PCIA officers together with multiple PCIA investment adviser representatives and employees. Custom IPS, Custom IPS PLUS, and PbASA portfolios and strategies are to be reviewed by (1) a member of the Firm’s Compliance department and (2) a member of the Firm’s Investment Advisory Committee (“IAC”) or a member of the Firm’s Wealth Management Services (“Wealth Advisory Services”) department and on a quarterly basis. Events that would trigger more frequent reviews could include, but are not limited to: market volatility, client request, change in client goals, and other events that we feel would warrant a review.

The areas of oversight the IAC is responsible for are: selection and ongoing evaluation of investments and/or investment advisors, modeling asset allocation, and ongoing research and investment review. When managing portfolios, the baseline criteria for research includes:

- Research investments with the goal of obtaining lower volatility portfolios
- Attempt to manage with significant diversification
- Select outside managers or mutual funds that have consistently, over long periods of time, outperformed their peers
- Be prudent when reviewing costs associated with different managers and advisors

## **Account Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. PCIA may provide additional reports to advisory clients. Client should compare any reports received directly from PCIA against the account statements received from the

broker-dealer or custodian and should immediately report any discrepancies to PCIA and the broker-dealer or custodian. Whether reports by an outside money manager are provided to you will depend upon the outside money manager. You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## **Client Referrals**

PCIA has entered into written arrangements with third parties to act as solicitors for PCIA's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. PCIA will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable. ("Referring Parties") to refer clients to PCIA. If a referred client enters into an investment advisory agreement with PCIA, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and PCIA will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the Investment Advisers Act of 1940. The client also will complete a Solicitor's Disclosure Statement document. If the referring party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Disclosure Brochure. If a referred client enters into an investment advisory agreement with PCIA, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided. The referral agreements between PCIA and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

## **Directed Brokerage**

PCIA requires that wrap-fee clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. PCIA is independently owned and operated and not affiliated with Schwab. Schwab provides PCIA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors.

Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For PCIA client accounts maintained in its custody, Schwab is not compensated through commissions or other transaction-related or asset-based fees for securities trades but rather through a flat fee based on a percentage of the client's assets under management in the account.

Schwab also makes available to PCIA other products and services that benefit PCIA but may not benefit its clients' accounts. These benefits may include national, regional or PCIA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of PCIA by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other of these products and services assist PCIA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of PCIA fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of PCIA accounts, including accounts not maintained at Schwab Advisor Services.

Schwab Advisor Services also makes available to PCIA other services intended to help PCIA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.

In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to PCIA by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to PCIA.

While, as a fiduciary, PCIA endeavors to act in its clients' best interests, PCIA recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to PCIA of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above. The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

It should be understood that PCIA, as the investment adviser, does not have the authority to negotiate commissions or obtain volume discounts. Transactions may not always be executed at the lowest available price, no assurance can be given that best execution will be achieved for each client transaction, and perceptions of what constitutes best execution in any given instance may vary. Ultimately, the required use of a particular broker-dealer may cost clients more money.

Not all advisers require clients to use a particular broker-dealer.

### ***Handling Trade Errors***

PCIA has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of PCIA to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances

of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by PCIA if the error is caused by PCIA. If the error is caused by the broker-dealer, platform provider, or custodian, the broker-dealer, platform provider, or custodian, is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. PCIA may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

## **Travel Reimbursement**

From time to time, we receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

## **Financial Information**

PCIA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, PCIA has not been the subject of a bankruptcy petition at any time.

## **Item 10 – Requirement for State Registered Advisers**

PCIA is a federally registered Investment Adviser; therefore, this section does not apply.

**PART 2B OF FORM ADV: BROCHURE SUPPLEMENT**

**Christopher Osmond, CFA®, CAIA®, CFP®**

Prime Capital Investment Advisors, LLC: 6201 College Blvd., 7<sup>th</sup> Floor, Overland Park, KS 66211, 913-491-6226

11/24/2020

**This brochure supplement provides information about Christopher Osmond that supplements Prime Capital Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Anthony Woodard, Chief Compliance Officer if you did not receive the Prime Capital Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Christopher Osmond is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



## **Educational Background and Business Experience**

**Christopher Osmond**, Born 1982

### **Education Background:**

University of Arizona, Bachelor of Science in Finance, 2004

Rattiner's Financial Planning Fast Track™; Certified Financial Planning (CFP®) Certification Program, 2014

### **Business Background:**

Prime Capital Investment Advisors, LLC, Chief Investment Officer 02/2018 to Current;

Prime Capital Investment Advisors, LLC, Investment Advisor Representative, 07/2017 to Current;

Rental Property Owner, Sole Proprietor, 01/2014 to Current;

Lawing Financial Inc., Investment Advisor Representative, 01/2017 to 10/2017;

Prime Capital Investment Advisors, LLC, Director of Wealth Management Services, 06/2017 to 02/2018

Lawing Financial Inc., Director of Wealth Advisory Services, 01/2017 to 06/2017;

BMO Private Bank, Director of Investments, 12/2014 to 11/2016;

Private Client Reserve of US Bank, Portfolio Manager, 12/2012 to 12/2014;

Habitat for Humanity of Metro Denver Young Professionals, Volunteer/President, 10/2010 to 12/2015;

Northern Trust, Investment Consultant, January 2006 to September 2011

### **Designations:**

CFA®, Charter Financial Analyst®

CFP®, Certified Financial Planner™ Practitioner

CAIA®, Chartered Alternative Investment Analyst

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 140,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

## **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level).

Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

## **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a

Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination.

The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### Chartered Alternative Investment Analyst

Chartered Alternative Investment Analyst (CAIA®) is a professional designation granted by the Chartered Alternative Investment Analyst Association to candidates who have completed Level I And Level II examinations. The Chartered Alternative Investment Analyst Association has established the designation of CAIA to certify that the holders have met the association's educational standard for specialists in the area of alternative investments. The alternative investments that a Chartered Alternative Investment Analyst is trained to assess include hedge funds, venture capital, private equity, funds of funds, derivatives, and real estate investments.

The Level 1 exam is composed of 200 multiple-choice questions, which measure Candidates' knowledge of the CAIA Level 1 curriculum. The Level 1 curriculum introduces Candidates to

alternative asset classes and discusses potential benefits of allocating to actively managed investment strategies. Candidates are asked to distinguish among various alternative investment strategies and products and to understand the difference between alternative investments and traditional products. Specific knowledge areas include professional standard and ethics, alpha drivers and beta drivers, real estate, hedge funds, commodities and managed futures, private equity and credit derivatives.

The Level II exam is composed of 100 multiple-choice questions and three sets of constructed response (essay-type) questions, which measure candidates' knowledge of the CAIA Level II curriculum. The Level II curriculum builds on Candidates' understanding of various assets classes and focuses on specific trading strategies, asset allocation in a multi-asset framework, and various methods for accessing alternative asset classes.

Through the Level II curriculum, Candidates gain deeper understanding of risk management techniques and tools, as well as various structured products. Specific knowledge areas include: the Asset Manager Code; private equity/ commodities and managed futures; real assets; hedge funds; structured products; asset allocation and portfolio management; risk and risk management; manager selection, due diligence, and regulation; ESG investing and research issues and current topics.

### **Disciplinary Information**

Christopher Osmond has no legal or disciplinary events to report.

### **Other Business Activities**

Please note, while it remains a current business activity for Chris Osmond, his ownership and interaction with his rental property represents less than 10 percent of his time and income.

### **Additional Compensation**

Certain product sponsors may provide Christopher Osmond with other economic benefits as a result of Christopher Osmond's recommendation or sale of the product sponsors' investments. The economic benefits received by Christopher Osmond from product sponsors can include but are not limited to, approved financial assistance with or the sponsorship of meetings and client events, marketing support, approved reimbursement or payment of travel expenses, and tools to assist Christopher Osmond in providing various services to clients.

Although Prime Capital Investment Advisors, LLC and Christopher Osmond endeavor at all times to put the interest of their clients ahead of their own interests or those of the firm's officers, directors, or representatives ("affiliated persons"), these arrangements could affect the judgment of Christopher Osmond when recommending investment products. These situations present a conflict of interest that may affect the judgment of affiliated persons including Christopher Osmond.

## **Supervision**

Anthony Woodard is the Chief Compliance Officer of Prime Capital Investment Advisors, LLC. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Christopher Osmond. Anthony Woodard can be contacted at 913-491-6226.

## Prime Capital Investment Advisors, LLC - Privacy Notice

Prime Capital Investment Advisors, LLC's ("PCIA") primary client goal is to protect your privacy.

### **Collection of Information**

We gather private and non-public personal information about you in order to make products available to you through PCIA and to provide you with our services. The information we collect starts with the information you provide on applications and other forms and when you request services from us. We seek to collect and use only information that is necessary and appropriate for the needs of our business. We may collect information that relates to your investment needs and objectives, income, finances, employment, investments and other factors that properly relate to the products made available through PCIA and the services we are providing. We may search public records for relevant information about you. If you seek to purchase an insurance product or service through PCIA, we may also receive information about your health and other factors needed by the insurer for that purpose. Maintaining complete and accurate information on our customer's records is important. If you become aware that we may have inaccurate information, please write or call us at:

Prime Capital Investment Advisors, LLC:

6201 College Blvd, 7<sup>th</sup> Floor, Overland Park, KS 66211, Phone: 913-491-6226, Email: [contact@pciawealth.com](mailto:contact@pciawealth.com)

### **Important Information for California Customers**

In response to California law, Prime Capital Investment Advisors, LLC treats all accounts for clients who are residents of California as if the client does not want to disclose private or non-public personal information to nonaffiliated third parties except as permitted by applicable California law. Clients who are residents of California are asked to complete a separate document titled, "Important Privacy Choices for Consumers".

### **Disclosure Information**

PCIA does not disclose private or non-public personal information about our customers or former customers to anyone, except as required or permitted by law or as authorized by you in writing. We do not sell customer lists or any information about our customers. We may share information about you with companies and individuals who perform services on our behalf. Some examples would include the following:

- Sharing personal information with broker/dealer(s) for purposes of completing your requested transaction.
- Sharing information with our service providers who distribute legally required documents such as prospectuses, annual reports and proxy statements
- Sharing information with our service providers who perform audits/reviews of our firm and business practices.

If you are a resident of California, we will not share your private or non-public personal information with non-affiliated companies and individuals who perform services on our behalf if you notify us that you do not wish us to share this information with such non-affiliated companies and individuals. A separate document titled "Important Privacy Choices for Consumers" is available with this Privacy Notice that provides additional information under California law.

Before disclosing information to those who provide services to us, we require them to agree to keep any private or non-public personal information about our customers confidential and to use it only for the purposes we have authorized. Prime Capital Investment Advisors, LLC also limits the sharing of private or non-public personal information for clients who are residents of California with our affiliates to comply with all California privacy laws that apply to Prime Capital Investment Advisors, LLC. We may disclose information about you in response to a subpoena or other legal process and to protect against fraud.

### **Protecting Confidentiality of Customer Records**

PCIA will internally safeguard your non-public personal information by restricting access to only those employees who (1) provide our services; (2) provide information about products available through PCIA; and/ or (3) need access to your information to service your account. In addition, we maintain physical, electronic and procedural safeguards that meet the federal and/or state standard to guard your non-public personal information.

### **Do You Need to Do Anything?**

You do not need to take any action in response to this notice of our Privacy Policies and Procedures. Because we do not share your private or non-public personal information with nonaffiliated third parties other than as described above, you do not need to opt-out or opt-in. If, however, you want more information concerning our privacy policies and practices, please contact us at:

Prime Capital Investment Advisors, LLC:

6201 College Blvd, 7<sup>th</sup> Floor, Overland Park, KS 66211, Phone: 913-491-6226, Email: [contact@pciawealth.com](mailto:contact@pciawealth.com)

### **Form ADV Part 2A Delivery**

If you are a client of Prime Capital Investment Advisors, LLC and would like to receive a current copy of our ADV Part 2A free of charge, please send a written request to the address shown above.

Revised 03-2019

Advisory services offered through Prime Capital Investment Advisors, LLC "PCIA", a federally registered investment adviser.  
PCIA doing business as Prime Capital Wealth Management "PCWM" and Qualified Plan Advisors "QPA".

PCIA: 6201 College Blvd., 7th Floor, Overland Park, KS 66211 | p: 913.491.6226 | f: 913.491.3214 | [pciawealth.com](http://pciawealth.com)

**FOR CALIFORNIA RESIDENTS ONLY**

**Important Privacy Choices for Consumers**

**FOR CALIFORNIA RESIDENTS ONLY**

**You have the right to control whether we share some of your personal information. Please read the following information carefully before you make your choices below.**

**Your Rights**

You have the following rights to restrict the sharing of personal and financial information with our affiliates (companies we own or control) and outside companies that we do business with. Nothing in this form prohibits the sharing of information necessary for us to follow the law, as permitted by law, or to give you the best service on your accounts with us. This includes sending you information about some other products or services.

**Your Choices**

**Restrict Information Sharing With Companies We Own or Control (Affiliates):** Unless you say “No,” we may share personal and financial information about you with our affiliated companies.

NO, please do not share personal and financial information with your affiliated companies.

**Restrict Information Sharing With Other Companies We Do Business With To Provide Financial Products And Services:** Unless you say “No,” we may share personal and financial information about you with outside companies we contract with to provide financial products and services to you.

NO, please do not share personal and financial information with outside companies you contract with to provide financial products and services.

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**Time Sensitive Reply**

You may make your privacy choice(s) at any time. Your choice(s) marked here will remain unless you state otherwise. However, if we do not hear from you we may share some of your information with affiliated companies and other companies with whom we have contracts to provide products and services.

Name: \_\_\_\_\_

Account or Policy Number(s): \_\_\_\_\_ [to be filled in by consumer]

Signature: \_\_\_\_\_

**To exercise your choices please do the following:**

**Fill out, sign, and send back this form to us using the envelope provided (you may want to make a copy for your records)**