

Disclosure Brochure

Part 2A & 2B of Form ADV

Pinnacle Advisory Group, Inc.

6345 Woodside Court, Suite 100
Columbia, MD 21046
410-995-6630

9155 South Dadeland Boulevard, Suite 1212
Miami, FL 33156
305-274-1600

www.pinnacleadvisory.com
compliance@pinnacleadvisory.com

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This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Pinnacle Advisory Group, Inc. (“Pinnacle”). If you have any questions about the contents of this Disclosure Brochure, please contact us at: 410-995-6630, or by email at: compliance@pinnacleadvisory.com. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”), or by any state securities authority. References herein to Pinnacle as a “registered investment advisor” or any reference to being “registered” does not imply a certain skill level or training. Additional information about Pinnacle Advisory Group, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 107757.

ITEM 2. - Material Changes

Since the last annual update of this form on March 18, 2020, Pinnacle Advisory Group, Inc. has had the following changes:

We have welcomed a new Wealth Manager, Patrick Scherer, whose educational background and business experience can be found at the Brochure Supplement Section. Camille Lombardo began her retirement.

We introduced new investment strategies described in detail at Item 8. The Clean, Green, Global Series Portfolios has been designed for investors interested in sustainable investing. Dynamic Select Series Portfolios uses a strategic approach that leverages a third-party money manager specializing in individual stock selection.

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ITEM 4 - Advisory Business

Firm Description & Ownership

Pinnacle is a comprehensive wealth management firm that provides financial planning and continuous investment management for affluent individual clients and a small number of institutional clients (e.g. charities, foundations, private company pension plans). We provide these services as a fiduciary, owing each client a duty of loyalty and care, and serving in the client's best interest at all times.

Pinnacle was founded in 1993 by John Hill, Kenneth Solow and Dwight Mikulis who are the firm's principal shareholders, each owning more than 25% of the Firm. Additional shareholders include Debra Kriebel, Michael Kitces, Joshua Mason, David Kauffman, Rick Vollaro and Jeffrey Troll.

As of December 31, 2019, Pinnacle manages approximately \$2,135,900,000 in assets on a discretionary basis.

Advisory Services

Pinnacle offers a variety of risk-managed strategies, where the investment management approach for each covers a range of risk profiles from conservative to aggressive, in combination with a comprehensive suite of financial planning services. Many of our investment management strategies are constructed and monitored by our internal investment team. We primarily focus on active investment management but also offer strategic, quantitative and environmentally conscious strategy options. We may also recommend that asset management service be provided by a third-party money manager. We retain discretion over assets designated to the third-party money manager, making decisions based on our periodic assessments to reallocate assets or hire or fire the third-party manager. Detail on each investment management strategy is in Item 8 of this Disclosure Brochure.

Financial planning advice is tailored to meet the individual needs of each client and may include a statement of net worth and cash flow, review of investment accounts, including asset allocation and repositioning recommendations, strategic tax planning, review of retirement accounts, estate planning, review of insurance policies, including recommendations for changes, and education funding planning and recommendations. Pinnacle does not directly sell insurance products.

Pinnacle also provides hourly or fixed fee planning engagements for clients not seeking investment management services. Investment management services alone are offered through a wrap investment management program sponsored by Transamerica Financial Advisors ("TFA"). Information on TFA is described in Item 10 of this Disclosure Brochure.

Pinnacle Advisor Solutions is a division of Pinnacle that offers sub-advisory services to other independently registered investment advisors, who care for clients on a fiduciary basis and want to maintain their independence. Our comprehensive suite of business solutions offered includes investment management, access to technology, back-office support, management consulting and business continuity planning solutions.

Our Process

The first part of our process is to identify, in light of client's risk tolerance and financial goals, the most suitable investment strategy for the accounts being brought under management. An Investment Policy Statement ("IPS") is executed to establish the general parameters and range of discretion applicable to Pinnacle's oversight of the client's portfolio. All new clients also execute an Investment Management Agreement that details the terms of the engagement.

Types of Securities in Client Portfolios

Assets are invested primarily in exchange-traded funds ("ETFs"), no-load mutual funds, money markets and other similar public securities and are traded through three primary custodians: Charles Schwab & Co. Inc. ("Schwab"), Fidelity Brokerage Services LLC ("Fidelity"), and TD Ameritrade, Inc. ("TD Ameritrade"). The securities in our portfolios represent a variety of asset classes, including U.S. and international equities, U.S. fixed income and international bonds, and unique classes such as commodity futures, international real estate, and emerging markets. While the specific holdings in our portfolios change during the year, we may also use nontraditional asset classes that utilize various hedge fund strategies. Investments also include equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, variable life insurance, variable annuities, mutual funds shares, U. S. Government securities, options contracts, futures contracts, and interests in partnerships. Initial public offerings ("IPOs") are not available through Pinnacle. Clients can impose restrictions on investing in certain securities or types of securities.

Pinnacle does not accept any commissions, referral fees or other fees from financial product sales.

Financial Planning Advice

Pinnacle offers a comprehensive range of planning services and has processes in place to assist clients in a deeper understanding of their financial picture. Our Wealth Managers assist clients in pre and post-retirement cash flow and tax management issues, asset location strategies designed to mitigate taxes, required minimum distribution selection, and a host of other best practices intended to help a client manage their financial life before and in retirement.

Retirement Plan Advisory Services

Pinnacle provides advisory services on behalf of an employer sponsored retirement plans (each a “Plan”) and companies (each the “Plan Sponsor”). The Advisor’s retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services may include:

- Employee Enrollment and Education Tracking
- Investment Policy Statement (“IPS”) Design and Monitoring
- Investment Management
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Vendor Analysis

Certain of these services are provided by Pinnacle serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Pinnacle’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Educational Seminars

Pinnacle provides educational seminar sessions on financial planning or investing topics. Certain sessions are primarily intended for our clients while others are open to the public. Topics in the past have included sequence return risk and in-depth financial planning with regards to taxes and legacy planning vehicles. Pinnacle is not affiliated with product sales firms and does not offer financial product sales.

Pinnacle Advisor Solutions

Pinnacle Advisor Solutions provides two fundamental sets of services to independently registered investment advisors: Strategic Partnership outsourcing solutions and PRISM continuity and succession planning. Our services may best fit independently registered investment advisors that are planning-oriented and committed to offering exceptional client service. While using our services, the owners of these firms continue to own 100% of their brand and equity.

Outsourcing Solutions Our Strategic Partnership service is designed for independently registered investment advisors run by solo practitioners and small ensembles to leverage resources of a larger firm while enjoying the flexibility and benefits of a small firm. Importantly, Strategic Partners can access these resources without forfeiting their independence.

Pinnacle serves as a sub-advisor to clients of registered investment advisors with Level 1 Strategic Partnerships. Our internal investment team is responsible for construction, research, decision-making, trading and rebalancing the assets designated to us and determined to be suitable by the Strategic Partner. We also provide investment and financial planning education as part of our offering. Level 2 Strategic Partners, in addition to Level 1 services, receive operational support and a technology platform to enhance execution of key business functions.

Continuity & Succession Solutions

Pinnacle offers continuity planning solutions designed for independently registered investment advisors in the event of death, disability or retirement. *PRISM* is our solution where clients of the independently registered investment advisor will be given the opportunity to become clients of Pinnacle when the unthinkable happens. The registered investment advisor’s beneficiaries will be compensated for the value of those clients that choose to transition. This agreement is revocable at any time, for any reason. *PRISMPPLUS* is a succession planning solution designed for retirement planning and pairs our services of PRISM continuity planning with our Strategic Partnership. *ASCEND* is a solution where Pinnacle works with the independently registered advisor to help identify and vet successor advisor candidates. We help facilitate conversations between both parties relative to acquisition.

ITEM 5 - Fees and Compensation

Description and Fee Schedule

Investment management fees are charged on a quarterly basis, in advance, for our combined investment management and financial planning services. Annual fee percentages are prorated for the billing period and are calculated on the assets under management, gross of any margin utilized, at the end of the preceding quarter. Initial fees are prorated based on when Client's portfolio is implemented pursuant to Client's investment policy statement. Fees are typically deducted from client's accounts at the Custodian. Investment management fees paid to Pinnacle are generally not negotiable.

Our schedule for new clients is:

- 1.30% for \$0-\$500,000 Assets Under Management (AUM),
- 0.85% for \$500,000.01-\$1,500,000 AUM,
- 0.80% for \$1,500,000.01-\$2,500,000 AUM,
- 0.75% for \$2,500,000.01-\$ 3,500,000 AUM,
- 0.70% for \$3,500,000.01-\$5,000,000 AUM,
- 0.60% for \$5,000,000.01-\$7,500,000 AUM,
- 0.50% for \$7,500,000.01-\$10,000,000 AUM,
- 0.40% for \$10,000,000.01-\$15,000,000 AUM, and
- 0.30% above \$15,000,000 AUM.

Example: A client with \$1,000,000 in assets under management would pay \$10,750 on an annual basis or 1.075%.

Clients authorize Pinnacle to deduct advisory fees directly from their brokerage accounts. Clients should be aware of their responsibility to verify the accuracy of the fee amount submitted to the Custodian by Pinnacle, as the Custodian will not determine whether the fee has been properly calculated. Legacy clients of Pinnacle or, in some situations, clients of firms that Pinnacle acquired, pay fees as determined by the schedule in place when they became clients.

Financial Planning Advice Fees

Clients with household assets under management receive financial planning advice at no additional cost. A fixed fee or hourly rate is charged to those clients who are only seeking financial planning advice with no investment management services. Fixed or hourly fees are determined upon engagement. They are somewhat negotiable and are affected by the size, composition, administrative or incidental costs and complexity of the investments and objectives of the client. Fixed fees are usually \$5,000 for U.S. based clients and \$10,000 for engagements that involve cross-border planning or other complex research. Hourly rates depend on the advisor, staff and complexity involved but typically range from \$300-400 per hour. In the event of a fixed fee, typically, 50% is payable in advance, with the balance due upon the lesser of completion of planning or 120 days. Any fees collected in advance will be retained at the discretion of Pinnacle for any expenses incurred to begin work. Clients are billed for fees incurred.

If the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided to the client. The client must approve the change of scope in advance of any additional work being performed, if a fee increase is necessary.

Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.30%. Fees are negotiable depending on the size and complexity of the Plan. Fees are billed either in advance or arrears of each month or quarter pursuant to the terms of the Retirement Plan Advisory Agreement. Fees can be deducted from the accounts of the Plan Participants or paid directly by the Plan Sponsor.

Educational Seminars

Certain seminars offered are complimentary while others have a per-session fee ranging from \$25 to \$50. Any fee will be announced in advance and is payable upon participants registration to the event.

Other Fees

Custodians, at their sole discretion, may charge transaction fees on purchases or sales of certain mutual funds, ETFs, stocks and bonds. These fees are in addition to the fees paid by you to Pinnacle. Transaction fees are usually incidental to the purchase or sale of a security and in our opinion, the selection of the security is more important than the transaction fee charged by the Custodian, as applicable. Pinnacle does not receive any compensation from transaction fees charged by the Custodians. For further information on Brokerage Practices, please see Item 12 of this brochure.

Mutual fund companies and ETF issuers charge their shareholders an investment management fee, or expense ratio, that is disclosed in the fund or ETF prospectus. These fees are in addition to the fees paid by you to Pinnacle. Pinnacle does not receive any compensation for management fees charged by a mutual fund or ETF provider.

Clients whose assets are designated to a third-party money manager will have fees, in addition to the fees paid by you to Pinnacle. These fees are calculated by the third-party money manager and deducted directly from your account. Pinnacle does not receive any compensation for management fees charged by a third-party money manager. Subject to a signed agreement between Pinnacle and the third-party manager, Pinnacle has authority to hire or fire or reallocate assets and negotiates fees and other contractual terms on behalf of the client. Many of our strategies utilize our internal investment team only and clients can terminate the designation of their assets to a third-party money manager by providing Pinnacle written notice of their request. Execution of a new Investment Policy Statement is required prior to implementing a change in strategy.

Termination of Agreement

Either party can terminate the Investment Management Agreement, at any time, by providing advance written notice to the other party (writing can be by regular mail, fax, or email; instant message or other like services are not permissible). In the event of termination, where Pinnacle has received appropriate written notification, the client will receive a pro-rata refund of any prepaid and unearned advisory fees. The portfolio value at the completion of the prior full billing period is used as the basis for the fee computation. Such refund will be calculated from the date of receipt of the written notice or other agreed upon date adjusted for the number of days during the current billing period prior to termination. The client's Investment Management Agreement with the Advisor is non-transferable without the Client's prior consent.

Either party can terminate the Financial Planning Agreement, at any time, by providing advance written notice to the other party (writing can be by regular mail, fax, or email; instant message or other like services are not permissible). Upon termination, the client shall be responsible for planning fees based on the hours incurred or in the event of a fixed fee, the percentage of the engagement completed. In the event of termination, where Pinnacle has received appropriate written notification, the client will receive a pro-rata refund of any prepaid and unearned planning fees. The client's Financial Planning Agreement with the Advisor is non-transferable without the Client's prior consent.

Either party can terminate the Retirement Plan Advisory Agreement, at any time, by providing advance written notice to the other party (writing can be by regular mail, fax, or email; instant message or other like services are not permissible). In the event of termination, where Pinnacle has received appropriate written notification, the client will receive a pro-rata refund of any prepaid and unearned advisory fees. The value of the Plan Assets at the completion of the prior full billing period is used as the basis for the fee computation. Such refund will be calculated from the date of receipt of the written notice or other agreed upon date adjusted for the number of days during the current billing period prior to termination. The client's Retirement Plan Advisory Agreement with the Advisor is non-transferable without the Client's prior consent.

Past Due Accounts

Pinnacle reserves the right to stop work on any account that is more than ninety (90) days overdue. In addition, Pinnacle reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Pinnacle's judgment, to providing proper financial advice.

ITEM 6 - Performance-Based Fees and Side-by-Side Management

Description

Pinnacle does not charge performance-based fees. We do not have a conflict of interest with side-by-side management, as each pool of investment funds are managed by the same investment team with no favorable allocation of expenses.

ITEM 7 - Types of Clients

Description

Pinnacle primarily provides discretionary investment management and financial planning advice to its affluent individual clients and a small number of institutional clients (charities, foundations, small businesses and private company retirement plans). Pinnacle serves as a sub-advisor to other registered investment advisors and enters into agreements with investors of those entities.

Minimum Household Size

The suggested minimum household size is \$500,000 of assets under management. Exceptions apply at Pinnacle's sole discretion, such as employees and their relatives or relatives of existing clients. In strategies where Pinnacle designates assets to a third-party asset manager, the designated account must exceed the \$100,000 minimum set by the third-party manager.

ITEM 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

Prime Series

Prime Series Portfolios are designed for investors that want an actively managed, globally diversified portfolio. Prime portfolios attempt to deliver risk adjusted returns over a full market cycle by allowing the fund managers the freedom and flexibility to change portfolio construction depending on their view of market conditions. Portfolio decisions are made by the Pinnacle investment team that assesses five investment disciplines and employs a 'weight of the evidence' approach to formulate a view that translates into portfolio allocations. The Prime Series is structured to allow the managers to pursue value anywhere in the world. Rather than being constrained by asset class, these portfolios are constrained by policy portfolio volatility. This series should appeal to clients that desire an active strategy that blends the best of qualitative judgment and quantitative tools.

Dynamic Conservative (DC)

This portfolio is designed to conserve principal, but still grow in excess of inflation over a long-term investment horizon. Investments for capital appreciation will be limited and will be evaluated carefully to balance the added risk to principal with the potential for return. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a significant weighting in bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short time horizon, a heavy dependence on sustaining withdrawals, are risk averse, and do not need to take on the added principal risk inherent in higher volatility policies to achieve their financial goals.

Dynamic Conservative Growth (DCG)

This portfolio has a heavy emphasis on principal protection and the ability to sustain withdrawals. In addition, the portfolio will be managed with modest exposure to assets that are purchased to generate capital appreciation. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a tilt towards bonds and other fixed-income investments. This portfolio is generally suitable for investors who have a short-to medium-term time horizon, are dependent on portfolio stability to generate sustainable withdrawals, are somewhat risk averse, and do not need or want to take on the added principal risks inherent in higher volatility policies to achieve their financial goals.

Dynamic Moderate Growth (DMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative models and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a tilt towards stocks. This portfolio is generally suitable for clients who have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to take on a moderate level of principal risk to achieve their financial goals.

Dynamic Appreciation (DA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility in order to achieve those targeted returns. The returns of this portfolio would typically be compared to a portfolio primarily containing stocks with a modest exposure to bonds. This portfolio is generally suitable for clients who have a long-term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk to achieve their financial goals.

Dynamic Ultra Appreciation (DUA)

Capital appreciation is paramount in this portfolio. The portfolio is managed to have very little exposure to assets that are purchased to generate income or preserve principal and is invested primarily in assets that have the potential for significant capital appreciation. The returns of this portfolio would typically be compared to a portfolio comprised entirely of stocks. This portfolio is generally suitable for investors who have a very long-term time horizon, have no need to take withdrawals from the portfolio, are risk inclined, and have a need or strong desire to take on a very high level of short-term principal risk in order to achieve their financial goals.

Market Series

Market Series Portfolios are designed to allow investors to capture market returns for the majority of the time they are invested, but also offer a limited amount of active management for times that markets trade to extremes or fall out of technical favor. The portfolios are split between a 70% strategic allocation, and a 30% tactical allocation. The strategic allocation is designed to capture long term returns in a tax and cost-efficient manner and consists of a diversified portfolio of institutional quality asset classes that are systematically rebalanced to retain targeted allocations over time. The tactical allocation offers the protection of active management at those times when markets are trading to valuation extremes or are out of technical favor and consists of three asset classes that can rotate depending on market conditions. Blended together, market series portfolios should appeal to clients who desire a strategic asset allocation approach, with some ability to protect against markets that are extremely overvalued or have broken important technical trends.

Dynamic Market Conservative (DMC)

The portfolio is designed to conserve principal, but still grow in excess of inflation over a long-term time horizon. Investments for capital appreciation will be limited and will be evaluated carefully to balance the added risk to principal with the potential for return. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a significant weighting in bonds and other fixed-income investments. This portfolio is generally suitable for investors who have a short time horizon, are heavily dependent on sustained withdrawals, are risk averse, and do not need to incur the added principal risk inherent in higher volatility policies to achieve their financial goals

Dynamic Market Moderate Growth (DMMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative model and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a slightly higher weighting to stocks over bonds. This portfolio is generally suitable for clients who have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to incur a moderate level of principal risk to achieve their financial goals.

Dynamic Market Appreciation (DMA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility in order to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio primarily containing stocks with a modest exposure to bonds. This portfolio is generally suitable for clients who have a long- term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk in order to achieve their financial goals.

Quantitative Series

Quantitative Series is designed for investors that desire a material portion of the portfolio to run on a rules-based engine. We currently offer only one model in this series, and it uses Pinnacle's Dynamic Moderate Growth (DMG) portfolio (described above) as the chassis, and then adds on a purely quantitative allocation of the portfolio. The DMG's actively managed portfolio is 62.5% of the total portfolio, while the quantitative allocation makes up 37.5%. The Quantitative allocation rotates between ten U.S. equity sectors and fixed income, depending on how the quantitative model evaluates current market conditions based on a set of valuation and technical indicators. This series should appeal to clients that desire a heavily rules-based approach, and that are willing to make aggressive allocation changes depending on market conditions.

Dynamic Quant (DQ)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility in order to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio containing primarily stocks with a modest exposure to bonds. This portfolio is generally suitable for clients that have a long- term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk in order to achieve their financial goals.

Strategic Market Series

The Strategic Series portfolios are designed to allow investors to passively capture market returns in a tax and cost-efficient manner while attempting to maximize the risk-reduction benefits of diversification. The allocation of the Strategic Series portfolios consists of a diversified mix of twenty institutional quality asset classes that are systematically rebalanced

to retain the predefined targeted allocations over time. The Strategic Series portfolios will remain fully invested and managed to the predefined targeted allocations. The Strategic Series portfolios should appeal to clients who desire a purely strategic allocation approach, are comfortable riding through market volatility and achieving market returns and seek low transaction costs and high tax efficiency.

Strategic Market Conservative (SMC)

This portfolio is designed to conserve principal, but still grow in excess of inflation over a long-term investment horizon. Investments for capital appreciation will be limited and will be evaluated carefully to balance the added risk to principal with the potential for return. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a significant weighting in bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short time horizon, a heavy dependence on sustaining withdrawals, are risk averse, and do not need to take on the added principal risk inherent in higher volatility policies to achieve their financial goals.

Strategic Market Conservative Growth (SMCG)

This portfolio has a heavy emphasis on principal protection and the ability to sustain withdrawals. In addition, the portfolio will be managed with modest exposure to assets that are purchased to generate capital appreciation. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a tilt towards bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short-to medium-term time horizon, a dependence on portfolio stability to generate sustainable withdrawals, are somewhat risk averse, and do not need or want to take on the added principal risks inherent in higher volatility policies to achieve their financial goals.

Strategic Market Moderate Growth (SMMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative models and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a tilt towards stocks. This portfolio is generally suitable for clients that have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to take on a moderate level of principal risk to achieve their financial goals.

Strategic Market Appreciation (SMA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio containing primarily stocks with a modest exposure to bonds. This portfolio is generally suitable for clients who have a long-term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk to achieve their financial goals.

Strategic Market Ultra Appreciation (SMUA)

Capital appreciation is paramount in this portfolio. The portfolio is managed to have very little exposure to assets that are purchased to generate income or preserve principal and is invested primarily in assets that have the potential for significant capital appreciation. The returns of this portfolio would typically be compared to a portfolio comprised entirely of stocks. This portfolio is generally suitable for investors who have a very long-term time horizon, have no need to take withdrawals from the portfolio, are risk inclined, and have a need or strong desire to take on a very high level of short-term principal risk to achieve their financial goals.

Alpine Series

The Alpine Series portfolios are designed to allow investors to passively capture market returns in a tax and cost-efficient manner while attempting to maximize the risk-reduction benefits of diversification. The allocation of the Alpine Series portfolios consists of a diversified mix of five institutional quality asset classes that are systematically rebalanced to retain the predefined targeted allocations over time. Such limited number of holdings is intended to make the strategy investable even for small size portfolios. The Alpine Series portfolios will remain fully invested and managed to the predefined targeted allocations. The Alpine Series portfolios should appeal to clients that desire a purely strategic allocation approach, are comfortable riding through market volatility and achieving market returns, seek low transaction costs and high tax efficiency.

Alpine Conservative Growth (ACG)

This portfolio has a heavy emphasis on principal protection and the ability to sustain withdrawals. In addition, the portfolio will be managed with modest exposure to assets that are purchased to generate capital appreciation. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a tilt towards bonds and other fixed-income investments. This portfolio is generally suitable for investors who have a short-to

medium-term time horizon, a dependence on portfolio stability to generate sustainable withdrawals, are somewhat risk averse, and do not need or want to take on the added principal risks inherent in higher volatility policies to achieve their financial goals.

Alpine Moderate Growth (AMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative models and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a tilt towards stocks. This portfolio is generally suitable for clients who have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to take on a moderate level of principal risk to achieve their financial goals.

Alpine Appreciation (AA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio containing primarily stocks with a modest exposure to bonds. This portfolio is generally suitable for clients who have a long-term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk to achieve their financial goals.

Alpine Ultra Appreciation (AUA)

Capital appreciation is paramount in this portfolio. The portfolio is managed to have very little exposure to assets that are purchased to generate income or preserve principal and is invested primarily in assets that have the potential for significant capital appreciation. The returns of this portfolio would typically be compared to a portfolio comprised entirely of stocks. This portfolio is generally suitable for investors who have a very long-term time horizon, have no need to take withdrawals from the portfolio, are risk inclined, and have a need or strong desire to take on a very high level of short-term principal risk to achieve their financial goals.

Clean, Green, Global Market Series

Clean, Green, Global Series Portfolios are designed for investors who are interested in sustainable investing, an umbrella term for capturing positive returns as well as having a long-term impact on society, environment, and the performance of the business. Sustainable investing, otherwise known as Environment, Social, and Governance (ESG) investments, are available through Exchange Traded Funds (ETFs) in this series. Pinnacle researches a variety of databases, such as ETF.com and Bloomberg, in order to find funds that meet ESG criteria according to description, efficiency, tradability, and fit. ETFs chosen for these portfolios are typically the highest ranked by third-party sources with the lowest tracking error to non-ESG ETFs for each asset class. If the ETFs have similar ranks, Pinnacle chooses those ETFs with the lowest expense ratios. This series offers a high percentage of ESG investments, ranging from 70% to nearly all the holdings.

Market Series Portfolios are designed to capture market returns for the majority of the time they are invested, but also offer a limited amount of active management for times that markets trade to extremes or fall out of technical favor. The portfolios are split between a 70% strategic allocation, and a 30% tactical allocation. The strategic allocation is designed to capture long term returns in a tax and cost-efficient manner and consists of a diversified portfolio of institutional quality asset classes that are systematically rebalanced to retain targeted allocations over time. The tactical allocation offers the protection of active management at those times when markets are trading to valuation extremes or are out of technical favor and consists of three asset classes that can rotate depending on market conditions. Blended together, Clean, Green, Global Market Series Portfolios should appeal to clients interested in sustainable investing and who desire a strategic asset allocation approach with some ability to protect against markets that are extremely overvalued or have broken important technical trends.

Clean, Green, Global Market Conservative (GDMC)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative model and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a slightly higher weighting to stocks over bonds. This portfolio is generally suitable for clients who have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to incur a moderate level of principal risk to achieve their financial goals.

Clean, Green, Global Market Moderate Growth (GDMMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative model and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a slightly higher weighting to stocks over bonds. This portfolio is generally suitable for clients who have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to incur a moderate level of principal risk to achieve their financial goals.

Clean, Green, Global Market Appreciation (GDMA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility in order to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio primarily containing stocks with a modest exposure to bonds. This portfolio is generally suitable for clients who have a long-term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk in order to achieve their financial goals.

Clean, Green, Global Strategic Series

Clean, Green, Global Series Portfolios are designed for investors who are interested in sustainable investing, an umbrella term for capturing positive returns as well as having a long-term impact on society, environment, and the performance of the business. Sustainable investing, otherwise known as Environment, Social, and Governance (ESG) investments, are available through Exchange Traded Funds (ETFs) in this series. Pinnacle researches a variety of databases, such as ETF.com and Bloomberg, in order to find funds that meet ESG criteria according to description, efficiency, tradability, and fit. ETFs chosen for these portfolios are typically the highest ranked by third-party sources with the lowest tracking error to non-ESG ETFs for each asset class. If the ETFs have similar ranks, Pinnacle chooses those ETFs with the lowest expense ratios. This series offers a high percentage of ESG investments, ranging from 70% to nearly all the holdings.

The Strategic Series portfolios are designed to allow investors to passively capture market returns in a tax and cost-efficient manner while attempting to maximize the risk-reduction benefits of diversification. The allocation of the Strategic Series portfolios consists of a diversified mix of twenty institutional quality asset classes that are systematically rebalanced to retain the predefined targeted allocations over time. The Strategic Series portfolios will remain fully invested and managed to the predefined targeted allocations. The Clean, Green, Global Strategic Series portfolios should appeal to clients interested in sustainable investing and who desire a purely strategic allocation approach, are comfortable riding through market volatility and achieving market returns and seek low transaction costs and high tax efficiency.

Clean, Green, Global Strategic Conservative (GSMC)

This portfolio is designed to conserve principal, but still grow in excess of inflation over a long-term investment horizon. Investments for capital appreciation will be limited and will be evaluated carefully to balance the added risk to principal with the potential for return. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a significant weighting in bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short time horizon, a heavy dependence on sustaining withdrawals, are risk averse, and do not need to take on the added principal risk inherent in higher volatility policies to achieve their financial goals.

Clean, Green, Global Strategic Conservative Growth (GSMCG)

This portfolio has a heavy emphasis on principal protection and the ability to sustain withdrawals. In addition, the portfolio will be managed with modest exposure to assets that are purchased to generate capital appreciation. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a tilt towards bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short-to medium-term time horizon, a dependence on portfolio stability to generate sustainable withdrawals, are somewhat risk averse, and do not need or want to take on the added principal risks inherent in higher volatility policies to achieve their financial goals.

Clean, Green, Global Strategic Moderate Growth (GSMMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative models and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a tilt towards stocks. This portfolio is generally suitable for clients that have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to take on a moderate level of principal risk to achieve their financial goals.

Clean, Green, Global Strategic Appreciation (GSMA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio containing primarily stocks with a modest exposure to bonds. This portfolio is generally suitable for clients who have a long-term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk to achieve their financial goals.

Clean, Green, Global Strategic Ultra Appreciation (GSMUA)

Capital appreciation is paramount in this portfolio. The portfolio is managed to have very little exposure to assets that are purchased to generate income or preserve principal and is invested primarily in assets that have the potential for significant capital appreciation. The returns of this portfolio would typically be compared to a portfolio comprised entirely of stocks. This portfolio is generally suitable for investors who have a very long-term time horizon, have no need to take withdrawals from the portfolio, are risk inclined, and have a need or strong desire to take on a very high level of short-term principal risk to achieve their financial goals.

Dynamic Select Series

The Dynamic Select Series of portfolios are designed to allow investors to passively capture market returns in a tax-efficient manner while attempting to maximize the risk-reduction benefits of diversification. The allocation of the Dynamic Select portfolios consists of a diversified mix of institutional quality asset classes that are systematically rebalanced to retain the predefined targeted allocations over time. The Dynamic Select portfolios will remain fully invested and managed to the predefined targeted allocations. The Dynamic Select portfolios should appeal to clients who want a purely strategic allocation approach, who are comfortable riding through market volatility, and who seek to earn returns in excess of purely passive portfolios by allocating a portion of the portfolio to a third-party manager that specializes in individual stock selection. By mixing an actively managed portfolio of individual global equities with a diversified portfolio of exchange-traded funds, investors get the benefit of a globally diversified portfolio AND the benefits of a professionally managed portfolio of individual stocks. Small portfolios of individual stocks seek to give investors the opportunity to outperform even when the overall stock market is misbehaving. Thus, mixing the benefits of stock selection with a diversified and systematically rebalanced portfolio of multiple asset classes is the reason for the name: Dynamic Select.

Dynamic Select Conservative (DSC)

This portfolio is designed to conserve principal, but still grow in excess of inflation over a long-term investment horizon. Investments for capital appreciation will be limited and will be evaluated carefully to balance the added risk to principal with the potential for return. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a significant weighting in bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short time horizon, a heavy dependence on sustaining withdrawals, are risk averse, and do not need to take on the added principal risk inherent in higher volatility policies to achieve their financial goals.

Dynamic Select Conservative Growth (DSCG)

This portfolio has a heavy emphasis on principal protection and the ability to sustain withdrawals. In addition, the portfolio will be managed with modest exposure to assets that are purchased to generate capital appreciation. The returns of this portfolio would typically be compared to a diversified portfolio of stocks and bonds, with a tilt towards bonds and other fixed-income investments. This portfolio is generally suitable for investors that have a short-to medium-term time horizon, a dependence on portfolio stability to generate sustainable withdrawals, are somewhat risk averse, and do not need or want to take on the added principal risks inherent in higher volatility policies to achieve their financial goals.

Dynamic Select Market Moderate Growth (DSMG)

This portfolio has a balanced approach between capital appreciation and the ability to sustain withdrawals. This portfolio is managed with an emphasis on creating a higher inflation-adjusted return than the more conservative models and will generally have a significant percentage of assets that are intended to capture capital appreciation rather than income generation or principal protection. The returns of this portfolio would typically be compared to a portfolio containing a mixture of stocks and bonds with a tilt towards stocks. This portfolio is generally suitable for clients that have a medium to long-term time horizon, are less dependent on sustaining withdrawals from the portfolio, are not overly risk averse, and need or want to take on a moderate level of principal risk to achieve their financial goals.

Dynamic Select Appreciation (DSA)

This portfolio has a heavy emphasis on capital appreciation and limited exposure to income-generating and principal-protecting assets. This portfolio is managed to achieve a higher inflation-adjusted total return than more conservative portfolios and will take on more volatility in order to achieve those target returns. The returns of this portfolio would typically be compared to a portfolio containing primarily stocks with a modest exposure to bonds. This portfolio is generally suitable for clients that have a long-term time horizon, are not dependent on sustaining withdrawals from the portfolio, are not risk averse, and need or want to take on a high level of short-term principal risk in order to achieve their financial goals.

Dynamic Select Ultra Appreciation (DSUA)

Capital appreciation is paramount in this portfolio. The portfolio is managed to have very little exposure to assets that are purchased to generate income or preserve principal and is invested primarily in assets that have the potential for significant capital appreciation. The returns of this portfolio would typically be compared to a portfolio comprised entirely of stocks. This portfolio is generally suitable for investors that have a very long-term time horizon, have no need to take withdrawals from the portfolio, are risk inclined, and have a need or strong desire to take on a very high level of short-term principal risk in order to achieve their financial goals.

Risk of Loss

Investment management services include the purchase and sale of securities which involves a certain level of inherent risk. The risk includes the potential loss of principal value. Pinnacle's investment service is based on a process that provides two separate kinds of risk management: asset class diversification and traditional value investing strategies.

1. Asset Class Diversification - Pinnacle tactically changes the portfolio asset allocation to reflect our views of market value on an ongoing basis. All portfolios are diversified in terms of global asset classes. Pinnacle has complete discretion in securities chosen, amounts of securities in client accounts and choice of broker dealer to execute trades.
2. Value Investing - As a value manager, a key factor to managing risk is our selling technique, which requires constant reevaluation of the value proposition of the securities we hold as prices fluctuate and other opportunities present themselves. This constant monitoring is carried out by an experienced investment team. By utilizing a team approach to the decision-making process, we feel that we are adding another layer of risk protection in volatile markets.

Third-Party Money Managers: For assets designated to a third-party money manager, the third-party manager is responsible for continuous monitoring, the selection of securities and trade execution in such accounts. Pinnacle retains discretion over assets designated to the third-party money manager, using both subjective and objective evaluation factors including, but are not limited to manager style, previous experience, investment approach, size of firm, holdings, historical performance and turnover. Pinnacle may select a more costly active manager if we believe that the manager can access a more favorable return stream relative to risk.

Margin: Pinnacle uses margin in Client accounts to manage the timing of purchases and sales, as appropriate and authorized by the Client.

All investing involves some level of risk, including but not limited to the following:

1. Asset Valuation: The identification of securities and other assets believed to be undervalued is a difficult task and there are no assurances that such opportunities will be successfully recognized or acquired.
2. Stock Market Risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
3. Technical Risk: This type of analysis utilizes statistics to determine trends in security prices. Technical analysis tends to focus on but is not limited to factors such as trading volume, demand, and volatility. Technical chart analysis is also used which involves the assessment of historical charts and graphs.
4. Sector Risk: The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
5. Non-Diversification Risk: The chance that performance will be hurt disproportionately by poor performance of relatively few stocks or even a single stock.
6. Foreign Security Risk: Foreign securities are subject to the same market risk as US securities and involve risk of loss due to political, economic, legal, regulatory and currency risk. There are also differences in accounting and financial reporting standards.

7. Interest Rate Risk: Bonds experience market risk because of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall. The reverse is also true, if interest rates fall, bond prices will generally rise. A bond with a longer maturity will typically fluctuate more in price than a shorter-term bond. Shorter term money market instruments carry less interest rate risk.

8. Mutual Fund Securities: The major risk of investing in a mutual fund include the quality and experience of the mutual fund portfolio management team and their ability to create fund value by investing in securities that have growth, the amount of individual company diversification, the type and amount of industry diversification, and the type amount of sector diversification within specific industries.

9. Exchange Traded Funds (ETFs): ETFs are investments whose shares are bought and sold on security exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some ETFs are SPDRs, Power Shares and I Shares. Our investment strategies could purchase ETFs to gain exposure to a portion of the US or foreign markets, sectors, industry or commodities. Our investment strategies investing in another investment company will bear their pro rata share of the other investment company's advisory fee and other expenses, in addition to their own. Specifically, ETFs, depending on the underlying portfolio and its size, can have a wide price (Bid and Ask) spreads, thus diluting or negating any upward price movements of the ETF or enhancing any downward price movement. Also, ETFs, require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of an ETF. Certain ETFs employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, collateral, and liquidity of the supporting collateral. The use of leverage increases interest rate cost to the ETF as well as increase the level of volatility.

10. Commodities: Commodities include soft assets such as crops and coffee that are generally extracted from the ground, as well as hard assets such as minerals and metals that are mined. Investing in commodities carries significant risks, including price, credit and market risk. Many physical commodities, as well as intangible commodities (such as security or fixed income indices) serve as the underlying to commodity futures contracts.

11. US Government Securities: U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities are supported by the full faith and credit of the United States.

12. Margin: The use of short-term margin borrowings results in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

13. 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 non-systemic risk and it 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.

14. Management Risk: An investment's value varies with the success and failure of the investment strategies, research, analysis and determination of portfolio securities. If investment strategies do not produce the expected returns, the value of the investment will decrease.

15. Liquidity Risk: Liquidity risk is the risk that may occur due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk generally arises when an individual with immediate cash needs holds a valuable asset that it cannot trade or sell at market value due to a previously agreed upon holding period.

ITEM 9 - Disciplinary Information

Legal and Disciplinary

The Firm and its Supervised Persons have not been involved in legal or disciplinary events related to past or present investment clients.

ITEM 10 - Other Financial Industry Activities and Affiliations

Affiliations

Pinnacle does not recommend other investment advisors or services firms to its clients in exchange for direct or indirect compensation.

Transamerica ONE Wealth Management Platform

Pursuant to a written agreement between Pinnacle and TFA, Pinnacle acts in a sub-advisor capacity on the TFA sponsored Transamerica ONE Wealth Management Platform ("Platform"). The terms and conditions of this agreement, including asset minimums and fees, are determined by TFA. TFA is solely responsible for the selection of the client's Custodian. Pinnacle provides discretionary investment advice on any portion of funds delegated to Pinnacle as determined suitable by the TFA representative. This power and authority is granted by the client in an agreement between TFA and the client. Pinnacle provides trading instructions to TFA, who is responsible for trade execution.

ITEM 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Pinnacle has adopted a Code of Ethics that is predicated on the principle that we owe a fiduciary duty to our clients. Accordingly, all persons associated with Pinnacle (our "Supervised Persons") must avoid activities, interests and relationships that run contrary or appear to run contrary to the best interests of our clients. At all times, Pinnacle places client interests ahead of our own. Pinnacle's Supervised Persons must engage in personal investing that is in full compliance with Pinnacle's Code of Ethics and Federal Securities Laws. Should you wish to review Pinnacle's Code of Ethics, you may contact us (see contact information on the cover of this brochure).

Participation or Interest in Client Transactions

Pinnacle, its Supervised Persons and related parties can buy or sell securities that are also held by clients. Supervised Persons are not permitted to trade their own securities ahead of client trades. Supervised Persons must comply with all provisions of our Compliance Program.

Personal Trading

The personal trading restrictions are included in our Compliance Program and Supervised Persons are educated through an annual compliance meeting. Personal trading reviews ensure that the personal trading of Supervised Persons does not affect the markets and that clients of the Firm receive preferential treatment. Supervised Persons are required to make available to the Chief Compliance Officer ("CCO") quarterly reports detailing transaction history and annual holdings list at year-end.

ITEM 12 - Brokerage Practices

Selecting Custodians

Pinnacle does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will select the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Pinnacle to direct trades to this Custodian as agreed in the Investment Management Agreement. Further, Pinnacle does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Pinnacle does not have any affiliation with product sales firms. Pinnacle does maintain institutional relationships with various Custodians. Pinnacle will likely suggest that clients establish their accounts with Charles Schwab & Co., Inc. ("Schwab"), Fidelity Brokerage Services LLC and related entities ("Fidelity"), or TD Ameritrade, Inc. ("TD Ameritrade") as the "qualified custodian" for client assets. Schwab, Fidelity and TD Ameritrade (collectively the "Custodians") offer to independently registered investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

Pinnacle is independently owned and operated and is not affiliated with Schwab, Fidelity, or TD Ameritrade. Pinnacle participates in the institutional platforms at these Custodians and receives investor referrals (additional disclosure located at Item 14 of this Disclosure Brochure). Pinnacle considers the Custodian's respective financial strength, reputation, execution, pricing, research and service when providing a recommendation to a client. Pinnacle receives some benefits from Schwab, Fidelity and TD Ameritrade through participation in the institutional platforms and referral programs such as attainment of many mutual funds without transaction charges and other securities at nominal transaction charges.

Best Execution

As part of our fiduciary duty, we seek to obtain the best price and execution of client securities transactions. The analysis of execution quality involves several factors, both qualitative and quantitative, which include consideration of the full range of a Custodian services, execution capability, transaction rates and the value of research or other soft dollar products provided. Thus, a client may pay a transaction fee higher than another qualified Custodian if Pinnacle determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

A client can direct Pinnacle, in writing, to use a Custodian to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Custodian and will not seek better execution services or prices from other custodians nor will we be able to use order aggregation (as described below). Thus, Pinnacle's clients may pay higher transaction fees, greater spreads, or receive less favorable net prices than would otherwise be the case. Subject to its best execution, Pinnacle can decline a client's request to use a Custodian if such arrangements would result in additional operational difficulties.

Pinnacle will execute trades within the account[s] established by the client at Custodian, unless otherwise instructed. Pinnacle believes the recommended Custodians provide best execution on behalf of clients. Pinnacle does not evaluate execution quality on a trade-by-trade basis. Pinnacle does believe that the recommended Custodians will provide proper execution quality. Pinnacle shall periodically and systematically review its policies and procedures regarding recommending Custodians to its clients in light of its duty to obtain best execution. We also follow procedures further described in our Compliance Manual to ensure that we are seeking the best execution available on client trades.

Soft Dollars

The arrangement under which Pinnacle receives research or services from Schwab, Fidelity, or TD Ameritrade free of cost is considered a "soft dollar" arrangement under Section 28(e) of the Securities and Exchange Act of 1934. Investment research and brokerage services received through soft dollars will be used by Pinnacle in servicing its clients but not all services will benefit all our clients. Clients are not charged higher rates as a result of this arrangement.

Schwab, Fidelity, and TD Ameritrade provide Pinnacle with access to institutional trading, operational services, and computer software; TD Ameritrade provides third-party research services based upon the transaction and other fees paid. These services are typically not available to retail investors but generally are available to independent advisors on an unsolicited basis, at no charge, if at least \$10 million of the advisor's assets are maintained at the Custodian. Soft dollars are not contingent upon Pinnacle committing to any specific volume of trading.

Specifically, Pinnacle benefits from the following operational services: receipt of duplicate client trade confirmations, bundled duplicate statements, access to a trading desk that exclusively services Registered Investment Advisors, access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts, access to an electronic communication network for client order entry and account information and facilitation of the payment of Pinnacle fees from clients' accounts. Research and other technology products are provided through Alpine Macro, Bloomberg, Ned Davis Research, and Cornerstone Macro and allow us to research pricing information and market data. Other services provided include consulting, proprietary research publications, conferences and other continuing education on a variety of topics including practice management, information technology, business succession, regulatory compliance, and marketing.

These soft dollar products provide a benefit to our Firm because we would otherwise acquire them at a higher cost, thus creating a potential conflict of interest and may indirectly influence our choice of a Custodian. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services. As part of our fiduciary duty to clients, Pinnacle endeavors at all times to put the interests of its clients first. The Firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934, wherein a "safe harbor" exists for investment advisors who use commissions or transaction fees paid by their accounts under management to obtain services that provide lawful and appropriate assistance in performing investment decision-making responsibilities. As required, the Firm will make a good faith determination that the fees paid are reasonable in relation to the value of the brokerage and research services provided. In some cases, the transaction fees charged by a Custodian on a transaction or set of transactions may be greater than the those at another Custodian who did not provide research services or products.

Order Aggregation

Transactions for each client will generally be executed independently, unless Pinnacle decides to purchase or sell the same securities for several clients at approximately the same time. Pinnacle can, but is not obligated to, combine or "batch" such orders to obtain best execution and negotiate more favorable transaction rates. Pinnacle may, but is not obligated to, allocate equitably among Pinnacle's clients, any differences in prices or other transaction costs that might have been charged had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Pinnacle aggregates

client orders, we shall do so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940 (the "Advisers Act") and no-action guidance from the staff of the U. S. Securities and Exchange Commission.

Pinnacle shall not receive any additional compensation or remuneration as result of client order aggregation. In the event that a prorated allocation is not appropriate under a particular circumstance, an allocation to client accounts will be made based upon other relevant factors, which may include: (i) when small percentage of the order is executed, shares may be allocated to the account with the smallest position or to an account that is out of line with respect to security to sector weightings relative to other portfolios, with small mandates, (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts, (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed), (iv) with respect to sale allocations, allocations may be given to accounts low in cash, (v) in cases when a pro-rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Pinnacle may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts, or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

ITEM 13 - Review of Accounts

Periodic Reviews

Investment security reviews are performed daily by the trading staff. Portfolio allocations and trades are reviewed in the weekly Investment Team meetings and communicated monthly in a formal Investment Committee meeting attended by all Wealth Managers.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment and economic information, or changes in a client's situation.

Regular Reports

Performance reports are available at any time upon request or clients have access through an online portal to performance reports as of the prior day's close of business. Custodian websites allow clients to access account information daily.

ITEM 14 - Client Referrals and Other Compensation

Referrals

Pinnacle has been fortunate to receive many client referrals over the years. These referrals originate from current clients, estate planning attorneys, employees, personal friends or relatives of employees and other similar sources. Pinnacle has also created a referral program with independent certified public accounting firms in exchange for revenue sharing. We also participate in programs with Schwab, Fidelity, and TD Ameritrade.

Independent Certified Public Accounting Firms

Pinnacle receives client referrals from unaffiliated consultants, independent contractors, registered investment advisors and certified public accounting firms ("Solicitors") to provide investment management and financial planning services. In accordance with Rule 206(4)-3 of the Advisers Act, registered investment advisors are permitted to pay a cash fee to a solicitor for referring clients pursuant to a written agreement. Pinnacle has written agreements with each Solicitor and has agreed to pay Solicitor a percentage of the referred client fees paid to Pinnacle. Our written agreement stipulates that Solicitor must provide a separate written disclosure document, in addition to our Form ADV, to prospective clients at the time of the referral. Pinnacle makes a bona fide effort to determine whether the Solicitor has complied with our agreement, so that we have a reasonable basis for believing the Solicitor has complied with the Rule. Pinnacle has agreed not to charge these referred client's fees or costs greater than the fees or costs Pinnacle charges its advisory clients who were not introduced by a Solicitor and who have similar portfolios under our management.

Schwab Advisory Network

Pinnacle receives client referrals from Schwab through our participation in Schwab Advisor Network ("Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a Custodian independent of and unaffiliated

with Pinnacle. Schwab does not supervise Pinnacle and has no responsibility for Pinnacle's management of clients' portfolios or Pinnacle's other advice or services. Pinnacle pays Schwab fees to receive referrals through the Service. Pinnacle's participation in the Service may raise potential conflicts of interest described below.

Pinnacle pays Schwab a Participation Fee on all referred client's accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another Custodian. The Participation Fee paid by Pinnacle is a percentage of the fees the client owes to Pinnacle or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee.

Pinnacle pays Schwab the Participation Fee for so long as the referred client's account remains at Schwab. The Participation Fee is billed to Pinnacle quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Pinnacle and not by the client. Pinnacle has agreed not to charge clients referred through the Service, fees or costs greater than the fees or costs Pinnacle charges clients with similar portfolios who were not referred through the Service.

Pinnacle generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Pinnacle generally would pay in a single year. Thus, Pinnacle will have an incentive to recommend that client accounts referred from the Service continue to be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Pinnacle's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Pinnacle will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab.

For accounts of Pinnacle's clients maintained in custody at Schwab, Schwab generally does not charge the client separately for custody but receives compensation from Pinnacle clients in the form of commissions or other transaction-related compensation on securities trades Schwab executes for the client's accounts. Clients also pay Schwab a fee for clearance and settlement of trades executed through broker dealers other than Schwab. Schwab's fees for trades executed at other Custodians are in addition to the other Custodian fees. Thus, Pinnacle may have an incentive to cause trades to be executed through Schwab rather than another broker. Pinnacle, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for clients' accounts held in custody at Schwab may be executed through a different Custodian than trades for Pinnacle's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other custodians.

Fidelity Wealth Advisor Solutions Program

Pinnacle participates in the Fidelity Wealth Advisor Solutions Program ("WAS Program"), through which Pinnacle receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Pinnacle is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Pinnacle, and FPWA has no responsibility or oversight for Pinnacle's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Pinnacle, and Pinnacle pays referral fees to FPWA for each referral received based on Pinnacle's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Pinnacle does not constitute a recommendation or endorsement by FPWA of Pinnacle's particular investment management services or strategies. More specifically, Pinnacle pays the following amounts to FPWA for referrals: for referrals made prior to April 1, 2017, an annual percentage of 0.20% of any and all assets in client accounts; for referrals made after April 1, 2017, the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven-year limitation. In addition, Pinnacle has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by Pinnacle and not the client.

To receive referrals from the WAS Program, Pinnacle must meet certain minimum participation criteria, but Pinnacle may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Pinnacle may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Pinnacle may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Pinnacle as part of the WAS Program. Under an agreement with FPWA, Pinnacle has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Pinnacle has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Pinnacle's

fiduciary duties would so require, and Pinnacle has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, Pinnacle may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Pinnacle's duty to select brokers on the basis of best execution.

TD Ameritrade AdvisorDirect

Pinnacle participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. Pinnacle may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. There is no direct link between Pinnacle's participation in the program and the investment advice it gives to its clients, although Pinnacle receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. The benefits received by Pinnacle, or its related persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Pinnacle may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Pinnacle and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Pinnacle and has no responsibility for Pinnacle's management of client portfolios or Pinnacle's other advice or services. Pinnacle pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Pinnacle ("Solicitation Fee"). Pinnacle will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Pinnacle from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Pinnacle on the recommendation of such referred client. Pinnacle will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Potential conflicts of interest may arise from Pinnacle's participation in AdvisorDirect. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Pinnacle may have an incentive to recommend to clients that the assets under management by Pinnacle be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Pinnacle has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Pinnacle's participation in AdvisorDirect does not reduce or eliminate its fiduciary duty to obtain best execution when selecting brokers to execute securities transactions on behalf of Referred Clients.

ITEM 15 - Custody

Account Statements

Pinnacle is authorized to deduct our advisory fees from client accounts and is therefore considered to have deemed custody over these accounts. This relationship does not require heightened compliance oversight.

If the client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the client's instructions.

We are considered to have deemed custody over our employee's retirement accounts, as certain firm officers or partners serve as trustees to the plan and client account[s]. In addition, Pinnacle has custody over a limited number of annuity and retirement accounts through online account access provided to us by clients. All client accounts are held in actual custody at unaffiliated Custodians. Custodians send statements directly to the account owners at least quarterly and clients should carefully review and compare these statements to any account information and reports provided by Pinnacle.

Surprise Independent Examination

As Pinnacle is deemed to have custody over certain Client accounts and/or securities as part of its services, pursuant to securities regulations the Advisor is required to engage an independent accounting firm to perform an annual surprise examination of those assets and accounts over which Pinnacle maintains custody. Any related opinions issued by an independent accounting firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website (<http://adviserinfo.sec.gov>).

ITEM 16 - Investment Discretion

Discretionary Authority for Trading

Pinnacle accepts discretionary authority to manage securities accounts on behalf of our clients through a Limited Power of Attorney. Pinnacle has the authority to determine, without obtaining specific client consent, the selection and amount of securities to be bought or sold. Pinnacle does not receive any portion of the transaction fees paid by the client to the Custodian on trades. Discretionary trading authority makes order aggregation possible and facilitates prompt implementation of the investment policy approved by the client in writing. For assets designated to third-party managers, Pinnacle is granted discretionary authority to replace the third-party manager and the third-party manager is granted authority to purchase and sell securities they select and deem appropriate.

ITEM 17 - Voting Client Securities

Proxy Votes

Pinnacle's clients shall maintain all proxy voting authority over securities managed by Pinnacle. Clients will receive their proxy notices and solicitations directly from the Custodian or transfer agent. On rare occasions, Pinnacle may share its thoughts to all clients regarding a proxy vote, if it deems such communication beneficial to assisting its clients.

ITEM 18 - Financial Information

Financial Condition

Pinnacle does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered and therefore, financial information is not required to be disclosed in this section.

Pinnacle maintains discretionary authority for client accounts and is required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients. Pinnacle has no such conditions to report. We have never been subject to a bankruptcy petition at any time during our history.

Other Disclosures

Disaster Recovery Plan

Pinnacle has a Disaster Recovery Plan in place which is described in detail in our Compliance Manual. It provides steps to mitigate and recover from the loss of office space, communications, services or key people.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving to an alternate office location.

Electronic files are backed up daily and archived offsite.

Pinnacle has several partners and senior managers. All partners are subject to a Stockholder's Agreement that limit the ownership and transferability of Pinnacle stock.

Information Security

Pinnacle maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Policy [last revision July 2019]

Your sensitive information is safe with us.

Our relationship with you is our most important asset. We understand that you have entrusted us with your private financial information, and we'll do everything we can to maintain that trust.

Our Privacy Policy

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information. *

We collect personal information to do financial planning and to perform our investment management responsibilities.

1. We do not sell your personal information to anyone. We may collect it for a specific purpose.

When you visit our website as an unregistered user, no personal data about you is collected by us. Only the current IP address of your computer, date and time, your browser type and computer operating system, along with a record of the pages on our site which you access and the searches you perform, is logged. It is not possible to identify you as a person from this information. The data about your visit to any Pinnacle-owned website, which we store automatically in log files, is used purely for statistical and security purposes or to improve our website.

When you contact us directly or when you request additional informational content, we will collect personally identifying information from you that may specifically include your name, email address, and telephone number.

2. We do not disclose any nonpublic information about our customers or former customers to anyone, except as permitted by law.

In accordance with Section 248.13 of Regulation S-P, in limited circumstances where we believe in good faith that disclosure is required or permitted by law, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

Outside of this exception, we will not share your personal information with third parties unless you have specifically asked or granted us permission to do so. This Policy does not create rights enforceable by third parties. We do not disclose personal information of our "customers", as defined under the California "Shine the Light" Act, to third parties for direct marketing purposes.

We collect personal information in the normal course of business in order to provide planning and investment management services. We may however provide aggregate level information, to said contractual partners in which circumstances all reference to your personal information will be removed.

Non-personal activity information, including IP address and referring site, country of origin, and related information is collected on all pages of Pinnacle websites, and is stored on a secure Google server for 1 year subsequent to each visit to the site in log files, and then destroyed.

New client information. We collect information that you provide to us when you become a client. The information we collect includes name(s), address, phone number, email address, Social Security number(s), and other information about your investing and financial planning needs.

3. We protect the confidentiality and security of your personal information.

We restrict access to personal information to our staff and for business purposes only.

We maintain physical, electronic, and procedural safeguards to guard your personal information. We have implemented appropriate technical and organizational measures, such as limiting access to the data to authorized personnel only and storing data on a secure server or cloud-based service, to protect your personally-identifiable information against accidental or intentional manipulation, loss, destruction and access by unauthorized persons. Our security procedures are continually enhanced as new technology becomes available.

Your password is personal and strictly confidential. If you have forgotten your password, you will be able to ask for a password reset or receive a link with which to reset it yourself. We will not be able to send you back your current password.

A cookie is a string of information that is sent by a website and stored temporarily in your computer's memory. Cookies can recognize previous connections to our website by your computer; cookies can identify your computer. You can delete the cookies stored in your system file at any time. We employ cookies technology to facilitate quick login procedures and to personalize the website's contents. If you delete the cookies from your computer, you will be asked to type in your username and password again.

4. We continue to evaluate our efforts to protect personal information and make every effort to keep your personal information accurate and up to date.

If you identify any inaccuracy in your personal information, or you need to make a change to that information, please contact us so that we may promptly update our records.

5. We will provide notice of changes in our information sharing practices.

If at any time in the future it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so that you will have the opportunity to opt out of such disclosure. We may revise this Privacy Policy from time to time and post the new version on our website, which will be applicable upon posting. Please check our website from time to time and make sure that you are aware of the most recent version of this Privacy Policy. You will find the date that the policy was last revised at the top of this Privacy Policy.

How to Contact Us

Inquiries or requests for erasure of your information, where data is no longer necessary or not lawful to be possessed, should be made by contacting us.

<u>Call:</u> 410-995-6630	<u>Email:</u> compliance@pinnacleadvisory.com	<u>Write:</u> Chief Compliance Officer at Pinnacle Advisory Group 6345 Woodside Court, Suite 100, Columbia, MD 21046
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** Nonpublic personal information means personally identifiable information and any list, description or other grouping of consumers that is derived using any personally identifiable financial information that is not publicly available.*

Part 2B: Brochure Supplements

The following Form ADV 2B (“Brochure Supplements”) provide information about Pinnacle Advisory Group, Inc.’s team who formulates investment advice for a client or who has individual discretionary authority over a client’s assets. It supplements Pinnacle’s Disclosure Brochure. Additional information about our team is available on the SEC’s website at www.adviserinfo.sec.gov.

Maryland Based

CARRIE E.D. BEREN, CFP®

Born: 1983

Educational Background and Professional Designations: Bachelor of Arts in Spanish Language and Literature from University of Maryland (2005), Citation in Business & Management from University of Maryland (2005) and Certified Financial Planner™ (2017).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2014 - Present
Private Advisor / Assistant Vice President, BB & T Wealth 2012 - 2014
Client Service Representative & Portfolio Advisor, Durbin Financial Advisors 2005 - 2012

Disciplinary Information: None

Supervision: Review performed by Kelly Wright, Director of Financial Planning, through frequent office interactions. He can be contacted at our main office phone 410-995-6630

MINDY GASTHALTER, CFP®, MBA

Born: 1960

Educational Background and Professional Designations: Bachelor of Science in Business Management from the State University of New York at Plattsburgh (1982), MBA in Personal Financial Planning from Golden Gate University (1985), and Certified Financial Planner™ (1998).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2004 - Present

Disciplinary Information: None

Other Business Activities: Member of the National Capitol Chapter of the Financial Planning Association.

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

MICHAEL K. GREEN, JR., JD, CFP®, CAP®, CTFA®, CCPS™-ELA®

Born: 1970

Educational Background and Professional Designations: Bachelor of Arts in Politics from The Catholic University of America (1992), Juris Doctorate from the University of Notre Dame (1996), Certified Trust and Financial Advisor (2000), Executive Certificate in Financial Planning from Georgetown University (2008), and Certified Financial Planner™ (2011), Certified College Planning Specialist (2014), Education Loan Analyst (2015), Chartered Advisor in Philanthropy (2018).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, 2012 - Present

Disciplinary Information: None

Other Business Activities: Financial Planning Association of Maryland; Howard County Estate Planning Council; Maryland State Bar Association; Planned Giving Advisory Group for The Catholic University of America; Toastmasters International

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

MICHAEL A. HAMOLIA, CFP®

Born: 1974

Educational Background and Professional Designations: Bachelor of Science in Business from University of Maryland (1998) and Certified Financial Planner™ (2011).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2011 - Present
Operations Associate of Pinnacle Advisory Group, Inc. 2005 - 2011

Disciplinary Information: None

Other Business Activities: Member of the Financial Planning Association of Maryland.

Supervision: Review performed by Kelly Wright, Director of Financial Planning, through frequent office interactions. He can be contacted at our main office phone 410-995-6630

DAVID B. KAUFFMAN, JD, CFP®, CTS™

Born: 1968

Educational Background and Professional Designations: Bachelor of Science in Business Administration from James Madison University (1991), Jurist Doctorate degree from The Widener University of Law (1995) and Certified Financial Planner™ (2003).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2004 – Present; Partner since 2016

Disciplinary Information: None

Other Business Activities: Member of Maryland Bar, Member of Washington DC Bar, Member of Maryland Bar Estate and Trust Law Section, Member of Bar Association of Montgomery County, Md., Member of the Financial Planning Association, Member of the National Capital Area Financial Planning Association, Member of Montgomery County, Md. Estate and Trust Law Section.

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

DEBRA C. KRIEBEL, CFP®, MBA

Born: 1958

Educational Background and Professional Designations: Bachelor of Science in Chemistry from Pennsylvania State University (1980), Master of Business Administration in Finance and Marketing from the University of Florida (1985) and Certified Financial Planner™ (1999).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 1996 – Present; Partner since 2002

Disciplinary Information: None

Other Business Activities: Member of the Financial Planning Association, Serves as CFP Volunteer for CASH of Maryland.

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

JOSHUA A. MASON, CFP®

Born: 1972

Educational Background and Professional Designations: Bachelor of Science in International Finance from Georgetown University (1994), Certificate in Political and Economic Studies from L'Universite Lumiere in Lyon, France, and Certified Financial Planner™ (2007).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2007 – Present; Partner since 2013

Disciplinary Information: None

Other Business Activities: Member of the Financial Planning Association.

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

DWIGHT A. MIKULIS, CFP®

Born: 1957

Educational Background and Professional Designations: Bachelor of Science in Marketing from the University of Maryland (1979), Master of Science in Finance from Loyola College (1985) and Certified Financial Planner™ (1990).

Business Experience:

Managing Partner, Pinnacle Advisory Group, Inc. 2019 – Present
Co-founder of Pinnacle Advisory Group, Inc. 1993 - Present
Chief Financial Officer, Pinnacle Advisory Group, Inc. 1993 – 2018
Chief Compliance Officer, Pinnacle Advisory Group, Inc. 2016 – 2017

Disciplinary Information: None

Other Business Activities: Former President of the Board of Directors of the Financial Planning Association of Maryland, Member of the Financial Planning Association, Maryland Representative of RRCA and is past President of the Howard County Striders.

Supervision: Review is performed by the Founding Partners who are identified in this section of the brochure and can be reached at our main phone number, which is 410-995-6630.

TOM RAYNOR, CFP®

Born: 1970

Educational Background and Professional Designations: Bachelor of Science in Business Administration/Finance from University of Baltimore in 1993 and Certified Financial Planner™ (2015).

Business Experience:

Senior Planning Associate of Pinnacle Advisory Group, Inc. 2016 -Present
Senior Operations Specialist of Pinnacle Advisory Group, Inc. 2011-2016
Operations Associate of Pinnacle Advisory Group, Inc. 2008-2011

Disciplinary Information: None

Other Business Activities: Member of the Financial Planning Association of Maryland

Supervision: Review performed by Kelly Wright, Director of Financial Planning, through frequent office interactions. He can be contacted at our main office phone 410-995-6630

JOSHUA K. RIVERS, CFP®

Born: 1974

Educational Background and Professional Designations: Bachelor of Arts in English from University of Maryland (1997) and Certified Financial Planner™ (2011).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2017 - Present
Head of Investments for Charter Financial Group 2012 - 2016
Family Representative of Keel Point Advisors 2008 - 2012

Disciplinary Information: None

Other Business Activities: Advisory Board Plimhimmon Group

Supervision: Review performed by Kelly Wright, Director of Financial Planning, through frequent office interactions. He can be contacted at our main office phone 410-995-6630

PATRICK SCHERER, CFP®, ChFC®

Born: 1991

Educational Background and Professional Designations: Bachelor of Science in Economics and Finance from Canisius College (2014), Certified Financial Planner™ (2018), Chartered Financial Consultant® (2019).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. May 2020 - Present
Wealth Planner, Wilmington Trust 2015 - 2020
Prime Finance Product Control Analyst, Citigroup 2014 – 2015

Disciplinary Information: None

Other Business Activities: None

Supervision: Review performed by Kelly Wright, Director of Financial Planning, through frequent office interactions. He can be contacted at our main office phone 410-995-6630

MICHAEL E. SHIRES, CFP®

Born: 1982

Educational Background and Professional Designations: Bachelor of Science in Finance from Salisbury University (2004), Master of Science in Finance from Loyola University Maryland (2011) and Certified Financial Planner™ (2014).

Business Experience:

- Wealth Manager of Pinnacle Advisory Group, Inc. 2017 - Present
- Planning Associate of Pinnacle Advisory Group, Inc. 2015 - 2017
- Wealth Manager of Young & Company Wealth Management Services, LLC 2014 - 2015
- Assistant Vice President/Risk Management Analyst of PNC Capital Advisors, LLC 2010 - 2014

Disciplinary Information: None

Other Business Activities: Member of the Financial Planning Association of Maryland.

Supervision: Review performed by Kelly Wright, Director of Financial Planning, through frequent office interactions. He can be contacted at our main office phone 410-995-6630

KENNETH R. SOLOW, CFP®

Born: 1957

Educational Background and Professional Designations: Bachelor of Science in Finance from Towson State University (1979) and Certified Financial Planner™ (1998).

Business Experience:

- Chief Investment Officer of Pinnacle Advisory Group, Inc. 04/2019 - Present
- Co-founder of Pinnacle Advisory Group, Inc. 1993 - Present
- Chairman of Investment Committee for Pinnacle Advisory Group, Inc. 01/2011 – 04/2019

Disciplinary Information: None

Other Business Activities: District Governor for Rotary District 7620 during 2015-2016, serves on the HCC Educational Foundation Board and on the HCC Finance Committee, member of the Financial Planning Association, former President of the Columbia Patuxent Rotary Club, and served on the Howard County Budget and Affordability Committee.

Supervision: Review is performed by the Founding Partners who are identified in this section of the brochure and can be reached at our main phone number, which is 410-995-6630.

JEFFREY K. TROLL, CFP®, CFA, CPA

Born: 1966

Educational Background and Professional Designations: Bachelor of Science in Accounting from Penn State University (1988), Certified Financial Planner™ (2005), Chartered Financial Analyst (2000), and Certified Public Accountant in Maryland (2000).

Business Experience:

- Wealth Manager of Pinnacle Advisory Group, Inc. 2005 – Present; Partner since 2016

Disciplinary Information: None

Other Business Activities: Member of the CFA Institute, American Institute for Certified Public Accountants and the Financial Planning Association, MarylandReporter.com board member.

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

ERIN WENDELL, CPA

Born: 1984

Educational Background and Professional Designations: Bachelor of Business Administration in Accountancy from the University of Notre Dame (2006), Masters of Professional Accountancy from Kelley School of Business at Indiana University in Bloomington (2007), and Certified Public Accountant in Colorado (2008).

Business Experience:

Chief Financial Officer of Pinnacle Advisory Group, Inc. 2019 - Present
Chief Compliance Officer of Pinnacle Advisory Group, Inc. 2018 - Present
Controller of Pinnacle Advisory Group, Inc. 2017 – 2018
Financial Manager at McKesson Corporation 2011 - 2017

Disciplinary Information: None

Other Business Activities: Member of the American Institute for Certified Public Accountants

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

KELLY R. WRIGHT, CFP®

Born: 1961

Educational Background and Professional Designations: Bachelor of Science in Mechanical Engineering from University of Maryland (1984), Master of Business Administration with a Concentration in Finance (1992), and Certified Financial Planner™ (1992).

Business Experience:

Director of Wealth Management of Pinnacle Advisory Group, Inc. 7/2020 - Present
Director of Financial Planning of Pinnacle Advisory Group, Inc. 2016 – 6/2020
Vice-president in charge of Financial Planning at Armstrong, Fleming & Moore, Inc. 2010 - 2016

Disciplinary Actions: None

Other Business Activities: Member of the Board of Directors of the Financial Planning Association of Maryland.

Supervision: Review is performed through frequent office interactions by Dwight Mikulis, Managing Partner, who can be reached at our main phone number, which is 410-995-6630.

Florida Based

MAY CHEUNG, CFP®

Born: 1955

Educational Background and Professional Designations: Bachelor of Arts in Accounting from York University, Toronto Canada (1979), and Certified Financial Planner™ (1995).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2015 - Present
Financial Advisor at The Enrichment Group, Inc. 1998 - 2015
Assistant to Financial Advisor at The Enrichment Group, Inc. 1992 - 1998

Disciplinary Information: None

Other Business Activities: None

Supervision: Review performed by Raoul Rodriguez through frequent office interactions and meetings. He can be contacted at our main office phone 410-995-6630 or 305-274-1600.

JOHN R. HILL, CFP®

Born: 1954

Educational Background and Professional Designations: Bachelor of Arts in Business Administration and Economics from Elon College (1976) and Certified Financial Planner™ (1988).

Business Experience:

Co-founder and Chief Executive Officer of Pinnacle Advisory Group, Inc. 1993 - Present

Disciplinary Information: None

Other Business Activities: Trustee Elon University; Board Member of Habitat for Humanity for Southwest Florida; Former President of the Financial Planning Association of Maryland

Supervision: Review is performed by the Founding Partners who are identified in this section of the brochure and can be reached at our main phone number, which is 410-995-6630.

RAOUL B. RODRIGUEZ, CFP®, EA

Born: 1964

Educational Background and Professional Designations: Bachelor of Arts in Economics from the University of Texas at Austin (1989), Master in Science in Financial Planning from the College of Financial Planning (2004), Certified Financial Planner™ (2004).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2016 - Present
President of Mexico Advisor 1998 - 2016
Partner of Rodriguez and Shah 2012-2016

Disciplinary Information: None

Other Business Activities: Member of the Financial Planning Association of Florida

Supervision: Review performed by John Hill, CEO, through frequent office interactions and remote meetings. He can be contacted at our main office phone 410-995-6630

STEPHEN O. WRIGHT, CFP®

Born: 1966

Educational Background and Professional Designations: Bachelor of Arts in Finance from the University of West Florida (1987), MBA from the University of West Florida (1990), Master of Divinity from the Southeastern Baptist Theological Seminary (2001) and Certified Financial Planner™ (2013), Certified Financial Planner™- Canada (2018).

Business Experience:

Wealth Manager of Pinnacle Advisory Group, Inc. 2015 - Present
Financial Planner at The Enrichment Group 2012 - 2015

Disciplinary Information: None

Other Business Activities: Member of the Miami Chapter of the Financial Planning Association.

Supervision: Review performed by Raoul Rodriguez through frequent office interactions and meetings. He can be contacted at our main office phone 410-995-6630 or 305-274-1600.

Description of Minimum Qualifications for Professional Designations

Certified College Planning Specialist (CCPS™)

- Pre-qualify with a professional Designation (CFP®)
- Successful completion of the exam

Certified Financial Planner (CFP®)

Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Certified Financial Planner – Canada (CFP®)

Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Holding a CFP® from the United States.
- Successful completion of the Certification Exam.
- Three-year qualifying full-time work experience as a personal financial planner.

Certified Public Accountant (CPA)

Colorado Education and Certification Requirements:

- Bachelor Degree in a related field from an accredited college or university.
- Completion of 45 semester credit hours in a combination of undergraduate and graduate accounting courses and 36 semester credit hours in business administration courses.
- Successful completion of all four sections of the CPA license exam.
- Successful completion of an AICPA Professional ethics course.

Maryland Education and Certification Requirements:

- Bachelor Degree in a related field from an accredited college or university.
- Completion of 27 semester credit units in accounting related subjects plus additional coursework.
- Successful completion of all four sections of the CPA license exam.
- Two years of general accounting experience under the direction of an actively licensed CPA.
- Successful completion of an ethics course.

Certified Tax Specialist (CTS™)

- Bachelor Degree from an accredited college or university.
- Successfully pass three exams and one open-book case study

Certified Trust & Financial Advisor (CTFA®)

Certification in trust and estate administration through the Institute of Certified Bankers within the American Banking Association.

- Three years of professional experience in wealth management, and a letter of reference
- Completion of an ICB approved wealth management training program
- Successful completion of exam covering the topics of Fiduciary and Trust Administration, Financial Planning, Tax Law and Planning, Investment Management and Ethics

Chartered Financial Analyst (CFA)

- Bachelor degree from an accredited institution (or have equivalent education or work experience).
- Successful completion of three exams set by the CFA Institute
- Two years of qualified, professional work experience

- Adhere to a strict Code of Ethics and standards

Chartered Advisor in Philanthropy (CAP®)

- Candidates must be engaged in the following professional activities three of the five years immediately preceding the application: 1) advising individuals or charitable organizations in wealth and estate planning, charitable planning, charitable giving, planned giving, nonprofit or foundation management or services, investment management of charitable assets or accounting or 2) Employed in the nonprofit sector in a capacity related to nonprofit management, development, planned giving or fundraising
- Three graduate level courses, equivalent of 9 semester credit hours
- Successful completion of the CAP Certification Exam

Enrolled Agent (EA):

An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by passing a three-part comprehensive IRS test covering individual and business tax returns. Individuals must adhere to ethical standards and complete 72 hours of continuing education courses every three years.

Juris Doctorate (JD):

- Successful completion of 90 hours of course work
- Passing score on the Maryland State Bar Exam

Master of Business Administration (MBA):

- Successful completion of 2 years of coursework
- Four-year Bachelor's degree from an accredited U.S. institution or international equivalent.