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This brochure provides information about the qualifications and business practices of Pennsylvania Capital Management. If you have any questions about the contents of this brochure, please contact us at 215-881-7700 or irvin@pcmadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Pennsylvania Capital Management is a SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Pennsylvania Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There have been no material changes made to Pennsylvania Capital Management, Inc.'s (herein referred to as "PCM" or "the Firm") Brochure since our last annual amendment filing on March 27, 2023.

Our current brochure may be requested by contacting Donna Zanetti, Manager of Client Services at 215-881-7700 or donna@pcmadvisors.com. Our brochure is also available free of charge, on our web site, at https://pcmadvisors.com/

Additional information about Pennsylvania Capital Management is available by accessing the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Pennsylvania Capital Management who are registered, or are required to be registered, as investment adviser representatives of the Firm.

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Item 4. Advisory Business

Pennsylvania Capital Management, Inc. ("PCM" or "the Firm") is a SEC-registered investment adviser that was founded 1995. The principal owner of the Firm is Irvin G. Schorsch, III, President, and the Firm's main office is located in Huntingdon Valley, Pennsylvania.

PCM offers a wide range of services to its clients. In particular, clients look to PCM for guidance in the following areas:

- Investment Policy Formulation
- Asset Allocation Design and Analysis
- Investment Program Planning
- Investment Manager Analysis and Selection and/or Performance Analysis and Review
- Client Meetings and Reporting

After PCM is able to assess the client's financial situation, PCM will recommend to the client an implementation package that matches the client's investment objectives with the investment objectives, style, and strengths of one or more independent money managers, publicly managed funds (i.e., mutual funds), or PCM will manage the client's assets in-house.

Investment Consulting Services

Should the client choose independent money managers and/or public investment companies (mutual funds) for management of his/her assets, PCM will provide services on an investment consulting services basis ("Consulting Services"). The client will be charged a Consulting Services fee by PCM for the selection and monitoring services provided to the client. Fees will vary among clients and will be determined by such factors as portfolio manager mix, fees being paid by the client to the independent manager(s), the coordination of assets required, the frequency with which the client requests performance reports and meetings with PCM, the size of the account, and additional compensation anticipated to be received by PCM or its related persons related to the management of the account.

A growing portion of PCM's Consulting Services is providing investment consulting or education for companies and employees of companies offering pension plans such as 401(k) and 403(b) plans. PCM will receive a fee for the design, communication and assistance in the establishment of the administration services to be rendered to participants in these pension plans. Fees will be determined based upon such factors as the number of participants and the number of investment alternatives made available to the participants.

PCM will not have discretion with respect to assets managed by an independent portfolio manager, however, on occasion, PCM may communicate on the client's behalf with the independent portfolio manager regarding such matters as portfolio performance and stated account objectives. The client is not obligated to accept the recommendations of PCM. Should the client choose not to accept any of the recommendations of PCM, then the client will be billed on an hourly basis for the time expended by PCM in developing and formulating the recommended Investment Program.

Investment Management Services

PCM provides individualized investment advice to clients based upon the client's specific needs. Through personal consultations, PCM gathers specific financial data to develop a client's personalized profile, which includes a client's investment objectives, current financial position, risk profile, investment time horizon, tax situation and liquidity needs. PCM reviews the client's personalized profile and based upon this review, determines an appropriate asset allocation for the client. Such allocation takes into account the client's existing investments, liquidity needs, portfolio goals, tax objectives and risk tolerance. PCM then recommends any necessary re-positioning of a client's investments or makes recommendations for new investments to implement the client's recommended asset allocation. This Investment Management Service is typically available for those who prefer the personal touch and the in-house capabilities of PCM staff members. Assets will be monitored on a continuous and ongoing basis and may be managed on a discretionary or non-discretionary basis, at the client's option.

Separately Managed Account Programs

PCM may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated Separately Managed Account programs including those offered by Coho Partners, an unaffiliated investment adviser firm, in accordance with the client's designated investment objective(s). In such situations, the Separately Managed Account Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets.

PCM shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which PCM shall consider in recommending Separately Managed Account programs include the client's designated investment objective(s) as applied to the Separately Managed Account program: management style, performance, reputation, financial strength, reporting, pricing, and research.

Tactical Asset Management

In some cases, PCM and a client may determine that all or a portion of the client's assets would be best managed pursuant to a discretionary tactical allocation strategy for fixed income securities or other appropriate investment products. In these cases, PCM will utilize the services of a third-party investment adviser who will provide buy and sell signals to PCM based on a technical methodology for trading high-yield bond mutual funds or other investment products.

PCM will manage these accounts on a discretionary basis, and will use the information provided by the third-party adviser to determine an appropriate investment and trading strategy for a client's investments. PCM will select the investment products that will be included in the trading strategy and will receive advice from a third-party manager as to the timing of buy and sell strategies. PCM will not be obligated to act upon the advice of the third-party manager for any given client account, nor will PCM be obligated to manage client's assets in a manner consistent with the methodology or technical signals provided by the third-party investment adviser. PCM will compensate the third-party adviser for the technical advice given to PCM; therefore, tactical asset management may cost a client more than traditional asset management services provided by PCM.

PCM has engaged Brian Carruthers & Associates, an unaffiliated registered investment adviser ("Carruthers"), to provide trading signals in connection with PCM's Tactical Asset Management Services, as described above. Carruthers is not responsible for the trading of PCM clients' assets. Instead, PCM may choose whether or not any guidance provided by Carruthers will be acted upon.

Financial Planning and Other Services

PCM may also provide to its clients financial, strategic, or tactical planning services which would be outside of the customary investment management services. These services may or may not include matters relating to securities and will be performed at a negotiated fixed fee or an hourly rate. A fixed fee will be determined after a preliminary review of Client's financial situation, and will be calculated based on such factors as the complexity of the services required by PCM in order to provide services to client, the number of client meetings anticipated, PCM staff involvement to provide services to client, and an estimation of the time to be expended on behalf of the client in meetings with client's other advisors, such as accountants and attorneys.

Private Investment Funds

PCM may provide investment advice regarding unaffiliated private investment funds, including offerings managed by Norwich Partners of Florida, LLC ("Norwich Partners Offerings"). PCM's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of PCM calculating its investment advisory fee. PCM's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s), including Norwich Partners Offerings.

Alternative Fees: Clients who elect to participate in Norwich Partners Offerings may enter into separate advisory agreements with PCM for each offering in which they agree to pay an alternative advisory fee.

Private Fund Risk Factors: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund, and acknowledge and accept the various risk factors that are associated with such an investment.

Private Fund Valuation: In the event that PCM references private investment funds owned by the client on any supplemental account reports prepared by PCM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. The current value of any private investment fund could be significantly more or less than the original purchase price or the price reflected in any supplemental account report.

General Information Regarding Investment Advice

For any of the investment advisory services offered by PCM, the Firm does not limit its investment recommendations to any specific type of product or security. A client's individual needs and objectives are analyzed to determine appropriate investments and products for the client. Since different types of investments typically involve different types of risk, the Firm conducts a risk analysis of the client and his/her overall portfolio, before recommending a certain investment or strategy. PCM manages assets on either a non-discretionary or discretionary basis. Either way, the client is always free to place restrictions on the types of investments the Firm recommends for the client's portfolio. For non-discretionary investment management, the client may also decline to implement any of the recommendations made by the Firm.

In general, the Firm utilizes equity investments in individual stocks, mutual funds, and exchange traded funds. PCM also provides recommendations on fixed income investments, including individual bond positions, bond mutual funds, certificates of deposit, and fixed income exchange traded funds. In addition, PCM provides advice related to real estate, leasing, or oil & gas limited partnerships, and may also provide advice on other products as appropriate for the specific client, including non-securities products.

PCM may also provide clients with advice regarding covered options or other investment assets, such as art, antiques, real estate or other investment holdings. PCM may also recommend that clients purchase shares of private offerings of common stock, or may occasionally provide advice on Real Estate Investment Trusts (REITs).

As part of its comprehensive approach to investment advisory services, PCM may refer clients to unaffiliated third-party service providers for specific areas for which a client may need advice. Examples of these referrals may include local CPAs or attorneys. PCM offers this referral service as a convenience to clients only, and any decision to engage a third-party service provider lies solely with the client. PCM is not responsible or liable for any of the services provided by these unaffiliated third-parties.

PCM Automated Strategies

To a limited extent, PCM may recommend that clients engage PCM to provide investment management services utilizing the Institutional Intelligent Portfolios™ Program, relative to investment accounts with market values of at least $5,000 under the PCM Automated Strategies ("PCMAS"). Institutional Intelligent Portfolios™, is an automated, online investment management platform for use by independent investment advisors offered by software provider Schwab Performance Technologies ("SPT"). Through PCMAS, we offer clients a range of investment strategies we have constructed and manage. The client's portfolio is held in a brokerage account opened by the client at SPT's affiliate, Charles Schwab & Co., Inc. ("CS&Co"). PCM is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co or their affiliates (together, "Schwab").

PCM, and not Schwab, is the client's investment advisor and primary point of contact with respect to PCMAS. PCM is solely responsible, and Schwab is not responsible, for determining the appropriateness of PCMAS for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis.

PCM has contracted with SPT to provide us with the technology platform and related trading and account management services for PCMAS. This platform enables us to make PCMAS available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. PCM will work in concert with the client to develop the appropriate risk profile, time horizon and any relevant client priorities to determine the appropriate allocation utilizing the institutional intelligent portfolio program. The System also includes an automated investment engine through which PCM manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

PCM does not receive a portion of a wrap fee for our services to clients through PCMAS. Clients do not pay fees to SPT in connection with PCMAS, but PCM charges clients a fee for our services as described below under Item 5. PCM's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of PCMAS. Schwab does receive other revenues in connection with PCMAS, which are described in the "Compensation to Schwab Under PCMAS" section below.

PCM does not pay SPT fees for the Platform so long as it maintains $100 million in client assets in accounts at CS&Co that are not enrolled in PCMAS. If PCM does not meet this condition, then it must pay SPT an annual licensing fee of 0.10% of the value of its clients' assets in PCMAS. This arrangement presents a conflict of interest, as it provides an incentive for PCM to recommend that clients maintain their accounts at CS&Co. Notwithstanding, PCM may generally recommend to its clients that they maintain investment management accounts at CS&Co. based on the considerations discussed in Item 12 below, which mitigates but does not eliminate this conflict of interest.

Clients enrolled in PCMAS are limited in the universe of investment options available to them. For example, the investment options available are limited to ETFs or mutual funds; whereas, PCM recommends various other types of securities in its other services. PCMAS are designed to provide guidance and professional assistance to individuals who are beginning the process of accumulating wealth. Clients will have access to their accounts and a financial interface online but will also have the opportunity to confer with PCM on an ongoing basis with respect to their account.

Rebalancing

The System will rebalance a client's account periodically by generating instructions to CS&Co. to buy and sell shares of funds and deposit or withdraw funds through the "Sweep Program", considering the asset allocation for the client's investment strategy. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an asset class varies by a set parameter established by PCM, (ii) PCM decides to change asset allocation percentages for an investment strategy or (iii) PCM decides to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their account.

Sweep Program

Each investment strategy involves a cash allocation ("Cash Allocation") that will be held in a sweep program at Charles Schwab Bank (the "Sweep Program"). The Cash Allocation will be a minimum of 4% of an account's value to be held in cash, and may be higher, depending on the investment strategy chosen for a client. The Cash Allocation will be accomplished through enrollment in the Sweep Program, a program sponsored by CS&Co. By enrolling in PCMAS, clients consent to having the free credit balances in their brokerage accounts at CS&Co. swept into deposit accounts ("Deposit Accounts") at Charles Schwab Bank ("Schwab Bank") through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of PCMAS. If the Deposit Account balances exceed the Cash Allocation for a client's investment strategy, the excess over the rebalancing parameter will be used to purchase securities as part of rebalancing. If clients request cash withdrawals from their accounts, this likely will require the sale of fund positions in their accounts to bring their Cash Allocation in line with the target allocation for their chosen investment strategy. If those clients have taxable accounts, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with CS&Co., Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

Miscellaneous

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by a client, PCM may provide financial planning and related consulting services. Neither PCM nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. PCM does not monitor a client's financial plan unless engaged to do so, and it is the client's responsibility to revisit the financial plan with PCM, if desired.

Furthermore, although PCM may provide recommendations regarding non-investment related matters, such as estate planning, tax planning and insurance, PCM does not serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, PCM does not prepare estate planning documents or tax returns.

To the extent requested by a client, PCM may recommend the services of other professionals for certain non-investment implementation purpose (i.e., attorneys, accountants, insurance agents, etc.), including representatives of PCM in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional and the client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from PCM and/or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and not PCM, shall be responsible for the quality and competency of the services provided.

Retirement Plan Rollovers – No Obligation / Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If PCM recommends that a client roll over their retirement plan assets into an account to be managed by PCM, such a recommendation creates a conflict of interest if PCM will earn new (or increase its current) compensation as a result of the rollover. If PCM provides a recommendation as to whether a client should engage in a rollover or not, PCM is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by PCM, whether it is from an employer's plan or an existing IRA.

Non-Discretionary Service Limitations: Clients that determine to engage PCM on a non-discretionary investment advisory basis must be willing to accept that PCM cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Therefore, in the event that PCM would like to make a transaction for a client's account, and client is unavailable, PCM will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

Use of Mutual Funds / Exchange Traded Funds: While PCM may recommend allocating investment assets to mutual funds that are not available directly to the public, PCM may also recommend that clients allocate investment assets to publicly-available mutual funds and exchange traded funds that the client could obtain without engaging PCM as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds or exchange traded funds without engaging PCM as an investment advisor, the client or prospective client would not receive the benefit of PCM's initial and ongoing investment advisory services.

Interval Funds/Risks and Limitations: Where appropriate, PCM may utilize interval funds. An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals.

During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares, and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested.

While an internal fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Therefore, there is no secondary market for the fund's shares.

Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be no assurance that an interval fund investment will prove profitable or successful. In light of these enhanced risks, a client may direct PCM, in writing, not to employ any or all such strategies for the client's account

Portfolio Activity. PCM has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, PCM will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when PCM determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

ByAllAccounts and eMoney. PCM, in conjunction with the services provided by ByAllAccounts, Inc. or eMoney Advisor, may also provide periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by PCM (the "Excluded Assets"). The client and/or their other advisor(s) that maintain trading authority, and not PCM, shall be exclusively responsible for the investment performance of the Excluded Assets. Unless otherwise specifically agreed to, in writing, PCM's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if PCM is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), PCM does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If PCM is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and PCM shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that PCM provide investment management services for the Excluded Assets, the client may engage PCM to do so pursuant to the terms and conditions of the agreement between PCM and the client.

Socially Responsible (ESG) Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by PCM), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful. PCM does not maintain or advocate an ESG investment strategy but will seek to employ ESG if directed by a client to do so. If implemented, PCM shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account portfolio manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

Cryptocurrency. For clients who want exposure to cryptocurrencies, including Bitcoin, PCM, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, PCM will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment.

PCM does not recommend or advocate the purchase of, or investment in, cryptocurrencies. PCM considers such an investment to be speculative.

Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

Cash Positions. PCM treats cash as an asset class. As such, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating PCM's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), PCM may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, PCM's advisory fee could exceed the interest paid by the client's money market fund.

Cash Sweep Accounts. Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion PCM shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless PCM reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

The above does not apply to the cash component maintained within a PCM actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager and cash balances maintained for fee billing purposes.

The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any PCM unmanaged accounts.

Client Obligations. In performing its services, PCM shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify PCM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising PCM's previous recommendations and/or services.

Cybersecurity Risk. The information technology systems and networks that PCM and its third-party service providers use to provide services to PCM's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in PCM's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and PCM are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although PCM has established procedures to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that PCM does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Disclosure Statement: A copy of PCM's written Brochure and Client Relationship Summary, as set forth on Part 2 of Form ADV and Form CRS respectively, shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

Assets Under Management

As of December 31, 2023, PCM was providing regular and continuous Investment Management services for 1,048 accounts, and the total value of assets under management in these accounts was $511,474,625 on a discretionary basis and $167,183,803 on a non-discretionary basis).

Item 5. Fees and Compensation

Investment Consulting Services

Fees will vary among clients and will be determined by such factors as portfolio manager mix, fees being paid by the client to the independent manager(s), the coordination of assets required, the frequency with which the client requests performance reports and meetings with PCM, the size of the account, and additional compensation anticipated to be received by PCM or its related persons related to the management of the account. Fees are calculated based upon a percentage of the managed assets or may be a negotiated flat fee. The standard used for determining the annual fee would be a range from 1.50% of the asset value down to 0.75%, for assets up to $5 million. (**See** Fee Differentials* below) This asset based fee for Investment Consulting Services is based on the market value of the managed portfolio as of the last business day of the preceding billing period and is payable either quarterly or semi-annually, in advance of services rendered.

Fees payable upon establishment and termination of the Consulting Services will be prorated for the portion of the billing period during which PCM is retained by the client. Investment Consulting Services may be canceled by either party at any time by written notice. If the agreement is canceled within the first five (5) days after the signing of the agreement, then the client is entitled to a full refund of any fees paid.

The client is responsible to pay PCM's Consulting fee in addition to any fee charged by the independent portfolio manager or mutual fund for the investment advisory services rendered to the client. Client should refer to the product prospectus or other disclosure document for a complete description of all fees. The client is also responsible for the transaction and execution costs associated with any transaction effected in the account(s), unless an agreement stating otherwise is made with the portfolio manager or PCM.

Should the client choose not to accept any of the recommendations of PCM, then the client will be billed on an hourly basis for the time expended by PCM in developing and formulating the recommended Investment Program. Such billing will be at an hourly rate not to exceed $750.00 per hour, or $275 per hour for an associate planner, with administrative charges not to exceed $125 per hour, plus expenses.

PCM's asset-based fees are payable quarterly, in advance, immediately following presentation of an invoice. Clients may also give PCM express written permission to deduct fees from their custodial account, if a client so chooses. While PCM has established the above referenced fee schedule, the Firm may negotiate fees under certain, limited circumstances, at its sole discretion.

Factors considered when determining whether a different fee will be negotiated include, among other things, the complexity of the client's financial situation, related accounts under management, portfolio style, and the provision of other services provided to the client. In some cases, clients may be subject to a different fee schedule in effect at the time their account was established and specified in their Advisory Agreement with PCM. These different fee schedules may be higher or lower than current fee arrangements. PCM may, in its sole discretion, determine when, if ever, previous fee schedules will or will not apply to existing clients. Clients will receive advance written notice of any change in their applicable fee schedules.

Investment Management Services

The annual management fee for investment management services is based on the market value of the portfolio as of the last business day of the preceding billing period and is payable quarterly or semi-annually, in advance of services being rendered. The fee may range from 1.35% down to 0.50% of the total value of the assets for accounts up to $5 million. (**See** Fee Differentials* below) In certain circumstances, PCM may charge a lower fee at its sole discretion.

This fee is exclusive of all transaction costs, which client will incur separately. Transactions will generally be executed through one of the following: Charles Schwab & Co., TIAA, or National Advisors Trust Co. (see Item 12 later in this brochure). Client will be responsible for paying all execution and/or transaction costs associated with trade execution and/or account custody. If mutual funds are purchased, client should refer to the product prospectus for a complete discussion of the fees associated with the product.

Some mutual fund shares may pay on-going 12b-1 management fees. Neither PCM nor any representative of PCM will receive or participate in any such 12b-1 fee. The investment management fee charged is determined based upon such factors as the anticipated custodial charges, if applicable, the style of management to be employed, and the level of performance measurement services to be given to the client, as well as any additional services provided to the client. Fees are negotiable at the sole discretion of PCM. The investment management fee schedule may be higher or lower than that normally charged in the industry.

Fees payable upon establishment and termination of Investment Management Services will be prorated for the portion of the billing period during which PCM is retained by the client. Investment Management Services may be canceled by either party at any time by written notice. If the agreement is canceled within the first five (5) business days after the signing of the agreement, then the client is entitled to a full refund of any fees paid.

Tactical Asset Management Services

The annual management fee for tactical investment management services is based on the market value of the portfolio as of the last business day of the preceding billing period and is payable quarterly or semi-annually, in advance of services being rendered. The fee may range from 1.95% down to 1.30% of the total value of the assets for accounts up to $5 million. (**See** Fee Differentials* below) In certain circumstances, PCM may charge a lower fee at its sole discretion. The specific fee will be disclosed to Client on an Addendum to the Tactical Asset Allocation Investment Management Agreement that Client will execute. This fee is exclusive of all transaction costs, which client will incur separately. Client will be responsible for paying all execution and/or transaction costs associated with trade execution and/or account custody. PCM shall make billing adjustments based upon inflows and outflows during each billing period that exceed $25,000.

If mutual funds are purchased, client should refer to the product prospectus for a complete discussion of the fees associated with the product. Some mutual fund shares may pay on-going 12b-1 management fees. Neither PCM nor any representative of PCM will receive or participate in any such 12b-1 fee. The investment management fee charged is determined based upon such factors as the anticipated custodial charges, if applicable, the style of management to be employed, and the level of performance measurement services to be given to the client, as well as any additional services provided to the client. Fees are negotiable at the sole discretion of PCM. The investment management fee schedule may be higher or lower than that normally charged in the industry.

As discussed above, PCM has engaged Carruthers to provide trading signals in connection with PCM's Tactical Asset Management Services. Clients will not incur, nor are they responsible for any additional fee payable to Carruthers in connection with this service.

Fee Differentials. As indicated above, PCM shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management/advisement. However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. As a result, similarly situated/invested clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by PCM to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Financial Planning and Other Services

Financial planning services may or may not include matters relating to securities and will be performed at a negotiated fixed fee or an hourly rate not to exceed $750.00 per hour, or $275 per hour for an associate planner, with administrative charges not to exceed $125 per hour, plus expenses. A fixed fee will be determined after a preliminary review of Client's financial situation, and will be calculated based on such factors as the complexity of the services required by PCM in order to provide services to client, the number of client meetings anticipated, PCM staff involvement to provide services to client, and an estimation of the time to be expended on behalf of the client in meetings with client's other advisors, such as accountants and attorneys.

General Information Regarding Fees and Account Termination

As part of its approach to investment advisory services, PCM may refer clients to unaffiliated third-party service provides for specific areas for which a client may need advice. Examples of these referrals may include local CPAs or attorneys. In these cases, clients may be subject to additional fees charged by the third-party service provider to whom the client has been referred. PCM does not receive any portion of the fees charged by these third-party service providers. In addition, PCM offers this referral service as a convenience to clients only, and any decision to engage a third-party service provider lies solely with the client. PCM is not responsible or liable for any of the services provided by these unaffiliated third-parties.

PCM's fees are generally negotiable at the sole discretion of PCM. In some cases, fees may be reduced based on factors that may include the complexity of the relationship, other business activities with which PCM and the client are engaged, client or business referrals made by a client, or other factors as determined by PCM.

Clients may terminate Advisory Agreements at any time upon prior written notice. If an Agreement is terminated within the first five (5) business days, clients are entitled to a full refund of any fees paid. If an Advisory Agreement is terminated after more than five (5) business days, clients are assessed fees on a pro-rata basis, based on the number of days that investment advisory services were provided. Any pre-paid fees will be refunded on a pro-rata basis, based on the number of days advisory services were provided.

PCM and its representatives do not accept compensation for the sale of securities or other investment products.

PCM Automated Strategies (PCMAS)

Should a client choose to engage PCM to provide discretionary investment advisory services on a fee-only basis through PCMAS, our annual fee shall range from 1.0% up to 1.5% of the market value of the assets placed under PCM's management depending on the amount of assets under management and the overall complexity of the client's situation.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable.

Compensation to Schwab Under PCMAS

Clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of PCMAS. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® that PCM selects to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

Item 6. Performance-Based Fees and Side-By-Side Management

PCM does not charge performance-based fees.

Item 7. Types of Clients

PCM provides investment advisory services to individuals, high-net worth individuals, pension and profit sharing plans, corporations or other businesses, trust, estates and charitable organizations. PCM typically provides its investment advisory services to clients with at least $1,000,000 of assets. PCM, in its sole discretion, may reduce or waive its minimum asset requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

There are general standards of education and business experience which PCM requires of those involved in determining or giving investment advice to its clients. PCM Consultants are required to have the technical knowledge in the areas of securities portfolio management and investment manager evaluation in order for a Consultant to provide PCM services. They are also expected to have, or be in the process of attaining, advanced asset portfolio management training through earning of a professional designation, such as the Certified Investment Management Analyst or Certified Financial Planner (CFP) designation.

PCM uses various methods of analysis in formulating the investment advice offered on behalf of the Firm. PCM takes a holistic approach to evaluate an overall portfolio strategy and asset allocation that meets a client's needs and objectives. Rather than focusing on specific investments, PCM Consultants identify an appropriate mix of securities, fixed income investments, cash and other investments, to build a portfolio that is suitable for a client's investment needs, objectives and risk tolerance. Portfolios are typically made up of various mutual funds, fixed income securities, exchange traded funds, and exchange traded funds. Portfolios may also include individual equity or bond positions, certificates of deposits, and limited partnership products.

PCM conducts its research on the investments it recommends using publicly available performance information. PCM also conducts on-site corporate inspections and attends due diligence meetings presented by product sponsors or issuers. PCM currently utilizes Bloomberg and Morningstar, among others, for its research. PCM evaluates the experience and track record of money or product managers, to determine whether a manager has demonstrated the ability to manage assets under varying economic situations. PCM also evaluates the underlying investments in a mutual fund or exchange traded fund, to determine whether the manager invests in a manner that is consistent with the fund's investment objective.

A risk associated with this type of analysis is that past performance is not a guarantee of future results. While a manager may have demonstrated a certain level of success in past economic times, he or she may not be able to replicate that success in future markets. In addition, just because a manager may have invested in a certain manner in past years, such manager may deviate from his/her strategy in future years. To mitigate this risk, PCM attempts to select investments from companies with proven track records that have demonstrated a consistent level of performance and success. PCM also relies on an assumption that the rating agencies it uses to evaluate investments are providing accurate and unbiased analysis.

PCM uses investment management strategies that it feels best meet its clients' needs and objectives. Such strategies typically include long-term investment strategies of asset allocation and diversification. While this strategy typically meets the needs and objectives of our clients, long-term investment strategies may include the risk of not taking advantage of short-term gains that could be profitable to a client. In addition, all securities investments involve risk and clients may lose all or part of their investment. Clients who elect to invest in securities must be willing to bear this risk. For this reason, PCM takes care to determine an appropriate risk tolerance of its clients. Investment recommendations are made with this risk tolerance in mind.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by PCM) will be profitable or equal any specific performance level(s). At any time, PCM may add, remove, or modify any of the strategies it employs, and this includes any of the strategies discussed above. These methods, strategies, and investments involve risk of loss to Clients that Clients should be prepared to bear.

Counterparty Risk: Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Clients could potentially incur a significant loss as a result of counterparty credit exposure should the counterparty fail to fulfill its obligations.

Credit Risk: Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact performance. Credit risk is greater for fixed income securities with ratings below investment grade (BB or below by Standard & Poor's Rating Group or Ba or below by Moody's Investors Service, Inc.). Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Equity Securities: Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies; the business market in which individual companies compete; industry market conditions; interest rates; and general economic environments. In addition, events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by a Client.

Exchange Traded Funds (ETFs): ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to:

i. *Variance from Benchmark Index*. ETF performance may differ from the performance of the applicable index for a variety of reasons. For example, ETFs incur operating expenses and portfolio transaction costs not incurred by the benchmark index, may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. In addition, corporate actions with respect to the equity securities underlying ETFs (such as mergers and spin-offs) may impact the variance between the performances of the ETFs and applicable indices.

ii. *Passive Investing Risk*. Passive investing differs from active investing in that ETF managers are not seeking to outperform their benchmark. As a result, ETF managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy.

iii. *Secondary Market Risk*. ETFs shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their net asset values ("NAV") on a daily basis, at times the market price of an ETF's shares may be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs may trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs, and the liquidity of such ETFs may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in ETFs. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF may vary substantially from the NAV per share of such ETF, and the client may incur significant losses from the sale of ETF shares

Exchange-Traded Notes (ETNs): Exchange-traded notes are subject to credit risk, do not make periodic interest payments, and may impose fees and expenses on the Client's investment advisory account.

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

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Mutual Fund Risk: Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. Investors should carefully assess their tolerance for risk before they decide which fund is suitable for their account.

Regulatory Risk: Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

Risks Related to Investment Term: Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not what we believe it is truly worth. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value.

Value Investment Risk: Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause the portfolio to at times underperform growth stocks.

Currently, PCM primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, and/or mutual funds on a discretionary basis in accordance with the client's designated investment objective(s). PCM frequently uses mutual funds, exchange traded funds, and exchange traded notes to satisfy asset allocation requirements. These funds are themselves subject to numerous risks that are outlined in each fund's prospectus and/or annual reports.

Margin Accounts: Risks/Conflict of Interest. PCM does not typically recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, and the PCM includes the entire market value of the margined assets when computing its advisory fee, the PCM's fee shall be based upon a higher margined account value, resulting in PCM earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since PCM may have an economic disincentive to recommend that the client terminate the use of margin.

The use of margin can cause significant adverse financial consequences in the event of a market correction.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, PCM does not typically recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). PCM does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to PCM:

- by taking the loan rather than liquidating assets in the client's account, PCM continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by PCM, PCM will receive an advisory fee on the invested amount; and,
- if PCM's advisory fee is based upon the higher margined account value, PCM will earn a correspondingly higher advisory fee. This could provide PCM with a disincentive to encourage the client to discontinue the use of margin.

Options Strategies

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by PCM shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio.

Although the intent of the options-related transactions that may be implemented by PCM is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client, utilizing option strategies, must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these greater risks, client may direct PCM, from time to time, in writing, to discontinue any or all such strategies for their accounts.

Covered Call Writing

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

Risks Specific to PCMAS. ETFs in which the strategy may invest involve certain inherent risks generally associated with investments in a portfolio of securities, including the risk that the general level of security prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held.

ETFs in which the strategies invest have their own fees and expenses as set forth in the ETF prospectuses. ETFs may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for the ETF.

Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that an ETF could not close out a position when it would be most advantageous to do so. Some ETFs available, including Schwab ETFs™, are less than 10 years old. Accordingly, there is limited data available to use when assessing the investment risk of some of these ETFs. As a result, one or more of the following may occur: (i) poor liquidity in or limited availability of the ETFs, or (ii) lack of market depth causing the ETFs to trade at excessive premiums or discounts.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

Licensed Insurance Agents. Irvin G. Schorsch, III, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can also engage Mr. Schorsch, as a licensed insurance agent, to effect insurance transactions on a commission basis.

Conflict of Interest: The recommendation by Mr. Schorsch that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Mr. Schorsch. Clients are reminded that they may purchase insurance products recommended by PCM through other, non-affiliated insurance agents. PCM's Chief Compliance Officer, Irvin G. Schorsch, III, remains available to address any questions that a client or prospective may have regarding the above conflicts of interest.

Irvin G. Schorsch, III, President of PCM, actively writes investment-related blogs for several reputable web sites. Mr. Schorsch does this as a contributor only, and is not compensated for his postings. In some cases, however, PCM may be listed as a preferred or recommended provider of advisory services on the sites for which Mr. Schorsch is a contributor.

PCM may also refer clients to certain unaffiliated investment advisers such as TIAA, under fully disclosed arrangements. Services provided by these third-party investment advisers may include customized portfolio design, quarterly performance reports, and so on. In such cases, PCM will provide monitoring of the managers selected by the client. In other cases, PCM may refer clients to an unaffiliated third-party service provider for specific services such as legal or accounting services. PCM is not compensated for these referrals but instead makes these referrals when it feels it is in the client's best interest to do so, based on the specific needs and objectives of the client. Clients are under no obligation to engage the services of the third-party service provider and clients do so at their own discretion. PCM is not liable or responsible for any of the services provided by an unaffiliated third-party service provider.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

PCM has adopted a Code of Ethics to promote the principles of honesty and integrity in its business practices, and to maintain PCM's reputation as a firm that operates with the highest level of professionalism. PCM recognizes its fiduciary responsibilities to its clients, and its duty and pledge to place clients' interests first and foremost. In connection with this duty, all employees of PCM are subject to the Firm's Code of Ethics, and are required to acknowledge their understanding of its terms. A copy of the PCM Code of Ethics will be provided to any client or prospective client upon request.

PCM's Code of Ethics establishes procedures for employees to report personal securities transactions and personal securities holdings. The Code sets forth procedures for management review of these reports. In some cases, PCM's employees may be required to obtain pre-approval for certain personal securities transactions or refrain from certain transactions altogether. PCM's Code of Ethics also sets forth the obligation of all PCM employees to comply with applicable state and federal securities laws, and the duty to cooperate in any investigation or inquiry conducted on or by PCM. Finally, PCM's Code of Ethics establishes procedures for the reporting of any potential violation of the Firm's Code.

PCM or its owners, officers and employees may buy or sell securities that are the same or different than those they recommend to clients. While buying or selling the same security as a client would be incidental, it may represent a conflict of interest, which would be fully disclosed to the client. PCM or its owners, officers and employees may not sell securities from their accounts directly to a client, nor may they purchase securities directly from a client. PCM, its owners, officers and employees are prohibited from trading on material nonpublic information. PCM does not trade ahead of clients, but instead puts clients' interests first. Employees may not purchase or sell any security prior to a transaction being implemented for an advisory client, unless the timing of such transaction was done without the employee's knowledge of a client's transaction. PCM endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the decision making process for client investment recommendations. PCM also endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the implementation of investment recommendations made to clients.

Occasionally PCM may take a position in a certain security and later sell that security to a client (principal transactions). This would be in rare and unique circumstances, such as when an open-end mutual fund is closing to new investors. PCM will sell shares to clients at the market price on the day of the transaction. Clients will receive written disclosure about the details of the transaction, including the date of the transaction, the price at which the transaction will occur, whether more favorable pricing exists somewhere else, and whether PCM will be compensated in any way for the transaction. Clients will be asked to sign an acknowledgment for any transaction of this nature. Conflicts of interest may exist in these types of transactions, however PCM endeavors at all times to act in the best interest of its clients.

Item 12. Brokerage Practices

PCM provides investment advisory services on either a non-discretionary or discretionary basis. Clients are generally free to implement or decline investment recommendations made by PCM, unless PCM is acting in a discretionary role. In addition, clients are free to implement investment recommendations at firms of their choice; however, if clients choose to implement transactions at firms other than those recommended by PCM, the Firm may be unable to provide investment advisory services for those assets.

PCM recommends that clients execute recommended brokerage transactions through certain broker/dealers. PCM may recommend the brokerage and custodial services of one or more of the following firms: Charles Schwab & Company, Inc. ("Schwab"), TIAA, and National Advisors Trust Co., all of whom are independent and unaffiliated broker-dealers or investment advisers. PCM, as an investment adviser, can provide through the institutional arms of these broker dealer/custodians such services as custody of securities, trade execution, clearance and settlement of transactions, institutional commission rates, access to mutual funds with no transaction fees and to certain institutional money managers, daily portfolio valuations, and portfolio reporting system support. Schwab, National Advisors Trust Co., and TIAA also provide to the client the ability to have PCM's advisory fees automatically deducted from the client's account. Clients must agree in writing to the services that PCM may perform on behalf of the client. PCM receives some benefits from these independent broker-dealer/custodians through its participation in institutional programs offered by these firms. For example, PCM receives duplicate Client statements and confirmations, research-related products and tools, consulting services, access to a trading desk serving investment advisor participants, access to block trading, electronic Client order-entry, discounts on practice management products or services. These products and services may assist PCM in managing Client accounts or develop its business. The benefits received do not depend on the amount of brokerage transactions directed to the particular broker- dealer/custodian but the receipt of these additional economic benefits may create a conflict of interest in that they may indirectly influence PCM in its choice of custodians. PCM endeavors at all times to place clients' interest first and foremost.

While PCM cannot guarantee that the execution services provided by the above referenced broker/dealers are the best executions available, the Firm feels that that the overall quality of execution services provided by these firms is in the clients' best interests.

As stated previously, PCM routinely recommends that clients utilize the brokerage and custodial services offered by Schwab, National Advisors Trust Co. or TIAA, unlike other advisors who may permit clients to direct brokerage to any firm of their choice. PCM may be unable to negotiate specific transaction costs for transaction execution. Transactions executed by these firms will be subject to the transaction and commission fee schedule in effect at the time of execution.

PCM does attempt to negotiate commission rates or volume discounts; however, brokerage and investment advisory services offered by PCM may cost a client more or less than similar investment advisory services offered by another firm, or by purchasing similar services separately. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Through its relationships with Schwab and National Advisors Trust Co., PCM has access to free research, software, account administrative support, record keeping, brokerage, custodial and other related services that are intended to support advisers in conducting an investment advisory business. PCM also has access to an extensive list of product offerings from which client recommendations can be made, and may have the ability to execute client no-load or low-load mutual fund transactions without transaction charges or with nominal transaction charges. PCM also has access to Schwab's SchwabLink program which provides PCM with a software downlink of daily transaction, balance and position information on client accounts held at such custodians.

PCM may accept reimbursement for marketing costs, such as expenses related to meetings held by, or attended by PCM Consultants. Such costs will be associated with "due diligence" trips that allow PCM to better analyze a company and/or investment manager. The acceptance of reimbursement will not be contingent upon any commitment by PCM to place client assets with a product sponsor or investment manager, and will not influence PCM's decision to select a product or investment manager for its clients, other than to allow PCM's associated persons an opportunity to gain further knowledge.

Brokerage Practices Under PCMAS

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

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like PCM. Through Schwab Advisor Services, Schwab provides PCM and its clients, both those enrolled in PCMAS and clients not enrolled in PCMAS, with access to its institutional brokerage services— trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help PCM manage or administer its clients' accounts, while others help it manage and grow its business. Schwab's support services described below are generally available on an unsolicited basis (PCM does not have to request them) and at no charge to PCM. The availability of Schwab's products and services to PCM is not based on PCM giving particular investment advice, such as buying particular securities for its clients. Here is a more detailed description of Schwab's support services:

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

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

<u>Additional Benefits</u>

PCM has received from certain third party managers, additional economic benefits ("Additional Benefits") that may or may not be offered to PCM again in the future. Specifically, the Additional Benefits include partial payment for PCM client events. These payments are a direct benefit received by PCM. These one off payments range between $1,000 and $2,500. Each payment is non-recurring and individually negotiated. PCM has no expectation that these Additional Benefits will be offered again; however, PCM reserves the right to negotiate for these Additional Benefits in the future. The third party managers provide the Additional Benefits to PCM in their sole discretion and at their own expense, and neither PCM nor its clients pay any fees to the third party managers in association with the Additional Benefits received. PCM has not entered into any written agreement with these third party managers to govern the receipt of the Additional Benefits.

PCM's Chief Compliance Officer, Irvin Schorsch, III, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

Item 13. Review of Accounts

Consulting and Investment Management accounts are continuously monitored by the President of PCM. Each account is reviewed in light of the client's specific needs, goals, objectives, asset mix and overall market conditions. Special reviews with clients are made in the case of substantial changes in market conditions or changes in the client's investment objectives. Accounts are compared against general market conditions and the strongest industry benchmark indicators to monitor account performance in light of the client's investment objectives. Non-consulting and non-management accounts are reviewed at least annually or at the request of the client.

PCM provides Performance Measurement Reports to Consulting and Management clients not less frequently than annually, with the determination of annual, semi-annual or quarterly reports agreed upon, in writing, at the signing of the Investment Consulting Agreement or Investment Management Agreement. The nature of performance information provided will depend upon the type of client and the needs of the client. In-house managed accounts will receive PCM prepared reports. Consulting clients will receive reports from either PCM or the independent portfolio manager(s). All clients will receive normal and customary brokerage or custodial statements, which they should compare against any information provided by PCM. Statements should be reviewed carefully.

Non-Consulting and non-Management clients will not generally receive periodic reports unless a determination is made to provide them. However, all clients will receive statements and confirms from their respective custodian(s) on no less than a quarterly basis. Additionally, clients may receive statement directly from their third-party money manager(s).

Item 14. Client Referrals and Other Compensation

In some cases, PCM may refer clients to a third-party service provider for specific services. PCM is not compensated for these referrals. PCM makes these referrals when it feels it is in the client's best interest to do so, based on the specific needs and objectives of the client. Clients are under no obligation to engage the services of the third-party service provider and clients do so at their own discretion. PCM is not liable or responsible for any of the services provided by an unaffiliated third-party service provider.

PCM may, from time to time, accept reimbursement for costs associated with on-site inspections of product sponsors or investment managers to which clients' assets may or may not be directed. Such costs will be associated with "due diligence" trips that allow associated persons of PCM to better analyze a company and/or investment manager. The acceptance of reimbursement will not be contingent upon any commitment by PCM to place client assets with a product sponsor or investment manager, and will not influence PCM's decision to select a product or investment manager for its clients, other than to allow PCM's associated persons an opportunity to gain further knowledge.

As stated previously, PCM participates in the institutional programs made available to advisers by certain broker-dealer/custodians. Please see Item 12 for a discussion of the brokerage firms with which PCM does business. Through its participation in these institutional programs, PCM receives economic benefits that may not be available to retail customers. For example, PCM may receive duplicate Client statements and confirmations, research-related products and tools, consulting services, access to a trading desk serving investment advisor participants, access to block trading, electronic Client order-entry, discounts on practice management products or services. These products and services may assist PCM in managing Client accounts or develop its business. The benefits received do not depend on the amount of brokerage transactions directed to the particular broker-dealer/custodian but the receipt of these additional economic benefits may create a conflict of interest in that they may indirectly influence PCM in its choice of custodians. PCM endeavors at all times to place clients' interest first and foremost.

PCM engages promoters to introduce new prospective clients to PCM consistent with the Investment Advisers Act of 1940, its corresponding. Rules, and applicable state regulatory requirements. If the prospect subsequently engages PCM, the promoter shall generally be compensated by PCM for the introduction. Because the promoter has an economic incentive to introduce the prospect to PCM, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to PCM (i.e., if the prospect was to engage PCM independent of the promoter's introduction)

Item 15. Custody

PCM does not maintain custody of client funds or securities except to the extent that it has the ability to debit advisory fees directly from client accounts, as agreed to in writing by the client. Clients receive normal and customary custodial account statements at least quarterly, which detail the amount of advisory fees debited from an account. Clients are strongly encouraged to review all statements carefully. Clients, not account custodians, are responsible for verifying the accuracy of all fees.

To the extent that PCM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by PCM with the account statements received from the account custodian.

The account custodian does not verify the accuracy of PCM's advisory fee calculation.

Custody via Third Party Standing Letters of Authorization: PCM engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain Clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from PCM to transfer client funds to "third parties." However, these practices and/or services are not subject to an annual surprise CPA examination in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter.

Item 16. Investment Discretion

PCM accepts discretionary authority to manage securities accounts on behalf of clients, upon express written permission from the client. Clients will execute required custodial applications granting discretion to PCM. Clients will also execute discretionary Investment Management Agreements.

Clients who engage PCM on a discretionary basis may, at any time, impose restrictions, in writing, on PCM's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe PCM's use of margin, etc.).

PCM also offers non-discretionary asset management, so clients may choose the best options for their situations.

Item 17. Voting Client Securities

PCM does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact PCM to discuss any questions they may have with a particular solicitation.

Item 18. Financial Information

PCM does not require or solicit prepayment of more than $1,200 in advisory fees more than six months in advance of services rendered. PCM is therefore not required to include a financial statement or balance sheet with this brochure.

PCM does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. PCM has not been the subject of any bankruptcy petition.

PCM's Chief Compliance Officer, Irvin Schorsch, III, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

Privacy Policy

PCM maintains a specific Privacy Policy that is distributed to each client at the time an account is opened and annually thereafter. PCM collects nonpublic information about clients from the following sources: information the Firm receives from clients verbally, on applications or other forms and information about client transactions with others or the Firm.

PCM may have to share non-public client information with unaffiliated firms in order to service client accounts. Additionally, PCM may have to provide information about clients to regulatory agencies as required by law. Otherwise, PCM will not disclose any client information to an unaffiliated entity unless a client has given express permission for the Firm to do so.

PCM is committed to protecting client privacy. The firm restricts access to clients' personal and account information to those employees who need to know the information. PCM also maintains physical, electronic and procedural safeguards that the Firm believes comply with Federal standards to protect against threats to the safety and integrity of client records and information.