

October 1, 2020

## Fort Pitt Capital Group LLC

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Fort Pitt Capital Group LLC's Form ADV Part 2 or Brochure, as required by the Investment Advisers Act of 1940, is a very important document between you and Fort Pitt Capital Group LLC ("Fort Pitt").

***This Brochure provides information about the qualifications and business practices of Fort Pitt. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Mary Jean Giconi at 412-921-1822 or [mgiconi@fortpittcapital.com](mailto:mgiconi@fortpittcapital.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.***

***Additional information about Fort Pitt is available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in the firm name). Results will provide you both Part 1 and 2 of Form ADV.***

Fort Pitt is a registered investment adviser with the SEC. Fort Pitt's registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications Fort Pitt provides to you, including this Brochure is information that can be used to evaluate the firm (and other advisers).

## Item 2 – Material Changes

1. Fort Pitt Capital Group LLC amends this Brochure at least annually. This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The most recent update of our Brochure was the annual updating amendment on March 31, 2020.
2. If you would like another copy of this Brochure, please contact Mary Jean Giconi, Chief Compliance Officer at 412-921-1822 or [mgiconi@fortpittcapital.com](mailto:mgiconi@fortpittcapital.com).

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## Item 4 – Advisory Business

Fort Pitt Capital Group LLC (“Fort Pitt”) was formed in 2015 to carry on the traditions and values of its predecessor, Fort Pitt Capital Group, Inc., which was formed in 1995. Roof Advisory Group (“Roof”) is a division of Fort Pitt. References to Fort Pitt and/or Roof shall collectively be referred to as Fort Pitt or the firm. Fort Pitt is managed pursuant to a management agreement between FP Capital Management LLC and Fort Pitt. Charles Smith, Michael Blehar, Theodore Bovard, J. Todd Douds and Jay Sommariva are the partners of FP Capital Management LLC and are responsible for the management, supervision and oversight of Fort Pitt in perpetuity. Fort Pitt’s main office is in Pittsburgh, PA with locations in Harrisburg, PA and Bonita Springs, FL.

Fort Pitt is part of the Focus Financial Partners LLC (“Focus LLC”) partnership. Specifically, Fort Pitt is a wholly owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners, Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC. Focus Inc. has no single 25%-or-greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) had a greater-than-25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co., L.P. (“KKR”) had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs. Fort Pitt does not currently conduct business or utilize the services of any Focus Partner when providing services to clients.

Fort Pitt provides investment management services to clients on both a discretionary and non-discretionary basis. As of December 31, 2019:

Discretionary Assets Under Management	\$3,526,533,314
Non-Discretionary Assets Under Management	<u>\$ 4,816,475</u>
Total	\$3,531,349,789

As a registered investment advisor subject to Section 206 of the Advisers Act, Fort Pitt acts as a fiduciary related to the conduct of its investment management and advisory services. As such, Fort Pitt has an obligation to act in the best interest of its clients guided by the core fiduciary duties of loyalty and care. In plain English, the duty of care means that Fort Pitt must provide advice that's in clients' best interest, seek the best possible execution of transactions and monitor clients' investments over the course of their relationship with Fort Pitt. The duty of loyalty hinges on Fort Pitt making full and fair disclosure of any conflicts of interest so that clients can make an informed decision about whether to pay Fort Pitt to be their investment adviser. The rest of this document is designed to describe the firm's policies and practices for adhering to the duty of care and the duty of loyalty.

Fort Pitt's first priority is protecting clients' money by staying within the spectrum of acceptable risk based on each client's specified risk tolerance – and doing so through highly personalized service. Fort Pitt believes that integrity, confidence, and respect are the cornerstones of any successful business relationship.

Fort Pitt provides wealth management which is a holistic set of services that includes Investment Management (described below) to both individuals and institutions and advice on matters such as asset accumulation, elder care costs, estate planning, education planning, business succession planning and/or insurance needs. When any person or entity engages Fort Pitt for wealth management, that client is assigned to a service team, led by a Financial Advisor. The service team is dedicated to the implementation of the firm's investment philosophy in a manner consistent with the client's investment objectives and risk tolerance. Although not anticipated, if/when a Financial Advisor leaves the firm, Fort Pitt will promptly contact all affected clients to provide new firm contact information and reassure them regarding the continuity of services provided by Fort Pitt.

The management process begins with the Financial Advisor learning about the investment experience of the client, reviewing the current assets and investment accounts held by that client and determining how to structure the client's assets and accounts moving forward. The Financial Advisor is looking at the client's holdings as well as the type of accounts in which the securities are held. Fort Pitt's recommendations regarding accounts/holdings to be maintained, opened or closed will be documented as part of each client's Investment Plan (further described below). See also Rollover to IRA below.

Fort Pitt has full discretionary authority over clients' assets under management. The majority of client assets are contained in managed portfolios of securities that are actively invested by Fort Pitt. In addition, clients may hold certain non-managed accounts and/or segregated assets that are excluded from billing & clients' reporting. Although not actively managed, these assets are included in the firm's assets under management as they are considered by Fort Pitt as part of the overall financial condition of the client and they help to inform the recommendations

included in the Investment Plan. Each service team periodically reviews clients' non-managed positions and will execute trades when deemed appropriate by the Financial Advisor and/or based on the wishes of the client.

Non-managed assets can include real estate holdings, business equity, accrued retirement benefits, potential inheritances, illiquid securities, securities that have sentimental value and/or holdings of the children and grandchildren of the same family. Coordinating a client's broad-based asset mix in a tax efficient manner that assures appropriate wealth preservation and liquidity while also optimizing growth, limiting risk and maintaining tax efficiency is a critical and ongoing wealth management function. Fort Pitt is often involved in working closely with a client's extended family to set priorities and expectations regarding current and future wealth transfers to family members, charities, etc.

Fort Pitt may refer clients to other industry professionals (i.e., tax professionals, attorneys, financial institutions) when expertise outside of that provided by Fort Pitt is needed. Such individuals are generally long-time industry professionals that are known as experts in their field(s). When an introduction is made to an outside professional, the client is not obligated in any way to retain the services of any other industry professional. Fort Pitt does not receive any compensation for such referrals.

### **Protection from Financial Exploitation**

Fort Pitt strives to protect client assets from financial exploitation by educating employees (and clients) regarding red flags that indicate that an account (or a client) is being taken advantage of or targeted by an outside party, even if that party is a relative of the client. Fort Pitt encourages all clients to designate a Trusted Contact through their custodian for protection from financial exploitation. A Trusted Contact can be a trusted friend or family member that the custodian or Fort Pitt can contact in the event that financial exploitation is suspected. A Trusted Contact cannot place trades and doesn't have any control over the client's account. Fort Pitt will not reach out to a Trusted Contact with basic questions about the account. Additional information can be provided upon request.

### **Investment Management Services**

Fort Pitt manages client assets by utilizing one (or more) of three types of investment products:

- Individual Equity Securities;
- Fixed Income Securities (taxable and tax free);
- Mutual Funds/Exchange Traded Funds ("ETF");

As described above, through discussions and the completion of a client questionnaire, Fort Pitt will assist clients in developing an Investment Plan based on their investment objectives and risk tolerance and then pursuing investment strategies and individual securities taking into

account their investment timeline and anticipated distribution needs. Clients should expect to meet with their Financial Advisor at least annually to engage in discussions regarding their holdings and the firm's recommendations and be fully engaged with Fort Pitt throughout this process. Clients are also encouraged to keep Fort Pitt informed of any changes to their investment objectives and risk tolerance. Open, honest and ongoing communication among all parties is critical to a successful working relationship.

Fort Pitt designs each client's individual equity and fixed income portfolio (using different combination(s) of stocks, bonds, mutual funds and ETFs) to achieve performance results that will allow them to address their day-to-day needs while still pursuing their short-term and long-term goals. As further described in Item 12 below, Fort Pitt establishes, trims and/or eliminates positions on a pro rata basis across all like managed accounts.

With respect to mutual fund/ETF investing, Fort Pitt engages in discussions with clients regarding their anticipated account balances and distribution needs and a good faith selection is made. Disclosures regarding the investment selections made by Fort Pitt are provided at the time of investment to help clients understand the investment options and share classes being presented. Fort Pitt uses its best efforts to select the share class that is the most cost effective for each client at the time of investment unless otherwise instructed by the client. Fort Pitt conducts periodic testing to determine whether new/less expensive share classes of mutual funds are available for investment. The custodians holding client assets have their own internal policies for making share classes available to investors. They impose minimum initial investments for Fort Pitt to have access to certain share classes and can also impose investment minimums at the client level. Please refer to Item 5 for more information.

Clients have the ability to purchase/sell securities (including shares of any mutual fund) without retaining Fort Pitt as their investment adviser. Prior to making an investment in any mutual fund, clients and prospective clients should review the prospectus for a comprehensive understanding of the terms and conditions applicable to that investment. Retaining Fort Pitt to provide investment management services costs more than clients doing independent research and investing on their own. Fort Pitt is committed to the "value add" that can be provided and believes that the increased costs related to the management of client assets is justified. Fort Pitt encourages any prospective client to speak to an industry professional (at Fort Pitt or otherwise) about investment advisory services in general and the costs and/or benefits associated with investing independently and/or through an investment adviser.

At any time, clients may impose reasonable restrictions on their accounts. Examples of reasonable restrictions in an equity account include the segregation of assets within an account so that the firm cannot buy or sell those securities. Clients may also buy and sell securities based on their own research and ideas. A client may also wish to utilize margin within their account(s) and/or take out a loan using the securities within their portfolio as collateral. If, in

the opinion of the Financial Advisor and/or Portfolio Managers, a restriction or client directed trades and instructions would subject the client's portfolio to risks that are contrary to the previously stated investment objectives, the Financial Advisor will request additional information from the client and provide guidance regarding what Fort Pitt believes to be in the client's best interest. Fort Pitt is not responsible for any gains or losses incurred by clients as a result of any restrictions and/or trades directed by them. Fort Pitt recommends that client assets be held in custodial accounts at Charles Schwab & Co., Inc., TD Ameritrade and/or Fidelity Investments.

**Retirement Investors:**

Fort Pitt is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and under the Internal Revenue Code ("IRC") with respect to investment management services and investment advice provided to ERISA plan clients ("Plan Sponsor") including ERISA plan participants, IRAs and IRA owners (collectively "Retirement Investors"). As such, Fort Pitt is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transactions rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption.

Under Section 3(21) of ERISA, Fort Pitt provides Plan Level Non-Discretionary Investment Advisory Services regarding the asset classes and investment alternatives available within a retirement plan. Fort Pitt will provide recommendations to the Plan Sponsor who will retain the final decision-making authority regarding the selection, retention addition and removal of investment options. Fort Pitt typically provides educational resources but does not provide individualized investment advice to plan participants regarding the allocation of their investments among the investment options.

Under Section 3(38) of ERISA, Fort Pitt, through an agreement with a Plan Sponsor, provides model portfolios as options within the plan and has full discretionary authority over the investment management of the assets within those model portfolios. Investment selections are made by the Plan Sponsor and/or the underlying plan participants and Fort Pitt manages the portfolio assets and allocation of the underlying investments within each portfolio.

Notwithstanding the services listed above, Fort Pitt may provide investment advice with respect to retirement assets not managed by Fort Pitt to any firm client. Fort Pitt's advisory services are limited to providing advice to an individual retirement plan participant regarding the allocation of assets within their employer sponsored retirement plan using only the investment options (i.e., mutual funds) that are available to them. In this case, the plan participants will retain the final decision-making authority regarding the recommendations provided by Fort Pitt.

## **Rollover to IRA**

In the event that Fort Pitt recommends a rollover of Retirement Assets into an IRA or Roth IRA, that recommendation is based on the individual needs of the client. Fort Pitt believes that the “value add” that can be provided with respect to those assets (described herein), justifies any increased costs related to the management of the Retirement Assets.

It should be noted; however, that a conflict of interest arises when Fort Pitt recommends to clients that they roll over their Retirement Assets into an IRA or Roth IRA that is managed by Fort Pitt. By recommending that a client roll over retirement plan assets to an IRA, even if there are no costs associated with the IRA rollover itself, Fort Pitt is entitled to earn investment management fees on the IRA account. Investing in a managed IRA with any investment adviser, including Fort Pitt, will typically be more expensive than investing through your retirement plan.

Opening a new IRA as a brokerage account will also result in additional charges such as commission charges and fees charged by the underlying investments (i.e., equity, fixed income, mutual fund, ETF, etc.). Custodial and trading fees also apply. See Item 5: Fees and Compensation. In contrast, leaving assets in a retirement plan or rolling the assets to a plan sponsored by a new employer will likely result in little or no compensation to Fort Pitt. Therefore, Fort Pitt has an incentive to encourage investors to rollover retirement plan assets into an IRA managed by Fort Pitt.

Investors considering rolling over assets from a qualified employer-sponsored retirement plan to an IRA should review and consider the advantages and disadvantages. A plan participant leaving an employer typically has four options (and may engage in a combination of these options):

- (1) Leave the money in the former employer’s plan, if permitted;
- (2) Rollover the assets to a new employer’s plan (if available and rollovers are permitted);
- (3) Rollover retirement plan assets to an IRA; or,
- (4) Cash out the retirement plan assets and pay the required taxes on the distribution.

At a minimum, Retirement Investors should consider the following factors: fees and expenses, available investment options, management and/or advisory services to be provided, availability of penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and the ability to place transactions in employer stock. Fort Pitt encourages clients to discuss their options and review the above-listed considerations with an accountant, third-party administrator, investment advisor to their Employer Plan (if available), or legal counsel.



**Non-Fiduciary Services:**

Fort Pitt provides certain non-fiduciary services to Plan Sponsors and/or may arrange for the retirement plan's service providers to offer services. Fort Pitt helps educate the Plan Sponsor regarding its fiduciary responsibilities and assists the Plan Sponsor in selecting and supervising the plan's service providers. In addition, Fort Pitt provides services directly to retirement plan participants through group enrollment/educational meetings designed to increase plan participation and provide information regarding general investment principles.

**Fort Pitt Capital Total Return Fund:**

Fort Pitt serves as adviser to the Fort Pitt Capital Total Return Fund (the "Fund") and makes the investment management decisions for the Fund's portfolio. Although the assets of the Fund are managed in a manner similar to that of the firm's managed stock portfolios, the specific guidelines that Fort Pitt uses on behalf of the Fund are described in the Fund's prospectus and may differ from those of other clients of the firm. Fort Pitt will include the Fund in a client's portfolio in accordance with its fiduciary duty and only if that investment is consistent with the investment objectives and risk tolerance of that client.

**Focus Client Solutions:**

Fort Pitt offers clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions ("FCS"). Please see Item 10 for a fuller discussion of these services and other important information.

**Community Involvement:**

Fort Pitt takes great pride in its ability to support and sponsor charitable organizations within the City of Pittsburgh and throughout the United States. In addition, Fort Pitt employees pride themselves on taking advantage of educational opportunities and being active within their communities by supporting local businesses. Fort Pitt employees do not hold positions of control (i.e., board positions) with any outside organizations that have a direct client relationship with Fort Pitt. There are a handful of client relationships with non-profit organizations that Fort Pitt supports through charitable contributions/sponsorships. Such gifts are not material to the business of Fort Pitt and any such clients are not provided with favorable treatment by Fort Pitt.

**Item 5 – Fees and Compensation**

Fort Pitt is a "Fee-Only" adviser and charges a maximum investment management fee of 1.00%. Clients with less than the minimum initial investment amount (defined below) may be subject to a minimum annual fee, resulting in a fee rate of more than 1.00%. Individual client fees will vary. Clients should consult their Investment Management Agreement for detailed information about the fee rate that applies to them.

Fees are paid in advance, are calculated quarterly and are based on the market value of the portfolio, including any margin and/or cash balance, on the last trading day of the preceding month. For accounts opened after the commencement of a billing cycle, fees are prorated from the date that management begins and are charged at the start of the next month within the billing cycle. Fort Pitt may in its discretion waive certain initial and/or minimum fees. All fees are automatically deducted from clients' accounts on a quarterly basis, unless otherwise agreed by the client and Fort Pitt. In certain cases, such as for Retirement Investors (defined above), Fort Pitt will charge fees in arrears, based on the value of plan assets, as calculated and paid to Fort Pitt by the Plan Sponsor.

From time to time, client fee schedules are subject to negotiation. For example, advisory fees are discounted and/or waived for employees of Fort Pitt as well as family members and friends at the discretion of firm management. Any discounted and/or waived fees must be approved by firm management in writing and must be documented as part of the Investment Management Agreement.

Clients are responsible for any charges, commissions or fees imposed by mutual funds (including 12b-1 fees), ETFs, retirement plans, broker-dealers or platform sponsors as a result of any investment. Such additional fees include amounts charged by the custodian for services recommended and/or executed by Fort Pitt (i.e., margin interest, transaction fees, pledged asset fees, trade away fees). These fees are charged separately and are in addition to the fees charged by Fort Pitt. Fort Pitt does not receive commissions, 12b-1 fees or any portion of fees whatsoever paid by a client to any other party. Fort Pitt is not responsible for charging or collecting fees other than the investment management fees described above.

With respect to individual stocks (including ETFs), the firm's primary custodians (Charles Schwab, Fidelity and TD Ameritrade) have implemented transaction fees (i.e., commissions) of \$0.00 per transaction. With respect to individual bonds, transaction fees (i.e., commissions) are built into the price paid for any purchase or sale of that security.

With respect to mutual fund investing, Fort Pitt strives to invest in the most cost-effective option available. All mutual funds have an internal annual expense ratio that is paid out of fund assets. These expenses, including a management fee paid to the fund's adviser are calculated as a percentage of the fund's assets. If you invest \$10,000 in a mutual fund with an annual expense ratio of 0.50%, you pay \$50 a year to cover fund expenses. This amount is deducted from the mutual fund and gets paid even if the fund has negative returns. Each mutual fund's Board of Trustees is required to review the expenses to determine whether they are reasonable compared to other mutual funds.

Although the underlying investments within a mutual fund are the same across all share classes, the expense ratios (i.e., costs) associated with the different share classes will vary. This

means that Fort Pitt must evaluate the current balance held in each client account and consider the number of historical and anticipated transactions for that account. It is critical for clients of Fort Pitt to keep the firm informed of any anticipated changes in account balances and/or transaction patterns so that the appropriate share class can be selected. At the time of account opening, and based on the disclosures provided to each client, Fort Pitt will make a determination regarding the share class in which to invest client assets using the firm’s proprietary methodology.

Based on the day to day interactions between the Financial Advisor and the client or as a result of the firm’s testing, certain accounts may be identified as eligible for a share class exchange. Fort Pitt will use its discretion when executing share class exchanges on clients’ behalf and compare the trading expenses associated with the exchange to the potential costs savings. Fort Pitt also conducts reviews of clients’ non-managed positions to determine whether a share class exchange is warranted for such positions. Decisions regarding share class conversions for non-managed positions will be made by the Financial Advisor and Chief Compliance Officer, in consultation with the client. Please refer to the following example of the differences in expenses between share classes.

	Share Class	Expense Ratio*	Annual Cost of \$500,000 Investment	Transaction Fees
American Funds EuroPacific Growth Fund (AEGFX)	F1(NTF)	0.86%	\$4,300	\$0/trade
American Funds EuroPacific Growth Fund (AEPFX)	F2(TF)	0.60%	\$3,000**	\$10/trade

\* Please refer to the Prospectus for AEGFX and/or AEPFX for a detailed description of the costs associated with investing in the Fund. These expenses are payable BY THE FUND and are charged to each shareholder as part of the daily NAV of Fund shares. Fort Pitt does not earn compensation of any kind from investments in Fund shares, other than its quarterly investment management fee.

\*\* Excluding transaction-based fees being paid to broker-dealer custodians. Fort Pitt does not share in these fees.

Based on the above example, No Transaction Fee (“NTF”) shares are typically less expensive for clients with smaller account balances and regular transactions (i.e., Required Minimum Distributions). Transaction Fee (“TF”) shares are typically less expensive for clients with larger account balances and limited numbers of transactions.

Fort Pitt has negotiated mutual fund transaction fees of \$10 per trade at each of the firm’s primary custodians and proactively communicates with the custodians to keep fees as low as possible. In the event that a mutual fund position has been bought and sold within a short time period (typically 90 days), the custodian and/or the mutual fund itself could charge a short-term redemption fee to the client. Custodial short-term redemption fees can be \$49.95 or more and short-term redemption fees charged at the fund level can be 2.00% or more of the transaction amount. Efforts are made to execute client instructions and manage client assets while also striving to minimize costs wherever possible. Fort Pitt does not receive any portion of these

transaction or redemption fees but Fort Pitt does perform testing regarding the transaction fees charged to clients by their custodians and others.

Although Fort Pitt does not collect fees from the custodians as noted above, a conflict of interest exists because Fort Pitt receives economic benefits for investing client assets in mutual funds held at Charles Schwab, Fidelity or TD Ameritrade. Please refer to Item 12 for more information.

Fort Pitt may include the Fund as part of its recommendations to clients. This creates a conflict of interest due to the fact that Fort Pitt receives an economic benefit for any investment in the Fund. As the investment adviser to the Fund, Fort Pitt is entitled to collect a maximum management fee of 1.00% of the average daily balance of the Fund on an annual basis. Currently, Fort Pitt has contractually agreed to waive all or a portion of its management fees and reimburse Fund expenses to ensure that Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses, and extraordinary expenses, 12b-1 fees, shareholder servicing fees or any other class-specific expenses) do not exceed 1.24% of the Fund's average daily net assets. Based on this agreement, Fort Pitt has not collected the full 1.00% management fee since the Fund's inception. The Fund does not currently impose a 12b-1 fee, therefore Fort Pitt pays the marketing and distribution expenses of the Fund and receives reimbursement from the Fund only for certain Sub-Transfer Agency (i.e., administrative) fees that are approved by the Board of Trustees. Disclosures regarding these expenses and the reimbursements provided by the Fund to Fort Pitt are included in the prospectus for the Fund.

Any Fort Pitt client invested in the Fund will pay the expense ratio associated with the Fund's operations (including a management fee as described above) but will not pay additional investment management fees to Fort Pitt on Fund shares.

Typically, the Fund is recommended to Fort Pitt clients when they do not have a sufficient amount of assets to provide for a fully diversified portfolio of equity securities. As the amount of assets invested in the Fund increases for any one client, it may be more cost effective for that client to transition their assets to a portfolio of individual equity securities. Fort Pitt monitors the accounts of clients holding Fund shares and will transition the investment to individual equities when deemed appropriate by Fort Pitt in consultation with the client.

A conflict of interest exists to the extent that individual Fort Pitt Financial Advisors are entitled to receive a portion of a client's investment management fees when they bring a client and/or additional assets to the firm. This internal incentive does not result in an increase of fees paid by any client of the firm. Fort Pitt believes that this incentive allows its Financial Advisors to take personal responsibility for the amount/volume of client assets managed by them.

Fort Pitt engages in compliance testing throughout each year as part of its Compliance Program in an effort to ensure that client interests are placed above the firm and any individual employee and that client investment objectives and risk tolerance are documented and adhered to when investing client assets. Clients may terminate their relationship with Fort Pitt at any time by providing written notification to Fort Pitt. A pro rata portion of any fees paid in advance will be promptly refunded to the client.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Fort Pitt does not charge performance-based fees.

## **Item 7 – Types of Clients**

Fort Pitt requires a minimum investment of \$500,000 unless otherwise required under Item 14 below. The firm reserves the right to accept lower amounts. Fort Pitt currently provides investment management services to the following types of clients:

- Individuals, including high net worth individuals;
- Investment Companies (i.e., Fort Pitt Capital Total Return Fund);
- Pension and Profit-Sharing Plans;
- Corporations;
- Charitable Organizations; and
- State or Municipal Government Entities.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Analysis:**

Fort Pitt utilizes internal research in its stock, fixed income and mutual fund/ETF selection process and supplements its own research with the data and analysis of major U.S. investment and brokerage firms. Fort Pitt's own research consists of such things as participating in quarterly earnings calls, reaching out to broker-dealers to discuss potential opportunities for cost reductions and forming relationships with mutual fund companies to identify new classes of shares as they become available. Through these relationships, Fort Pitt's research team determines whether new share classes are available from the fund companies and whether Fort Pitt has access to those shares through each custodian.

Fort Pitt is committed to identifying products for investment (including equities, -fixed income and mutual funds/ETFs) based its own internal research using information such as performance, cost, style consistency and risk that are positioned to generate long-term total returns equal to

or greater than market averages, in line with clients' risk parameters and long-term financial goals.

The management and monitoring of client assets are collaborative processes between the firm's Portfolio Managers and Financial Advisors. The firm's Portfolio Managers, led by Charles Smith, Chief Investment Officer, manage client portfolios based on the investment research efforts summarized above and based on instructions/restrictions provided by the Financial Advisors regarding the day-to-day needs of each client. Internal systems utilized by Fort Pitt have been designed to allow for fluid communications between the Financial Advisors and Portfolio Managers regarding cash needs, investment "restrictions" and client specific instructions.

It should be pointed out that active portfolio management does not necessarily correlate to a certain number of trades being placed in client accounts. Portfolio management encompasses many things including making decisions regarding whether to buy, sell or hold a security. Fort Pitt's decision to continue to hold a security is a proactive one. Clients who make contributions to or request distributions from their accounts will see increased activity levels; however, the number of securities and/or re-allocations within client accounts generally will not change unless Fort Pitt's view of a particular company/security changes based on its internal research process.

Fort Pitt will sell a position when it believes the intrinsic value is fully realized, when growth prospects falter due to changing market or economic conditions, or when earnings fail to meet expectations. Independent verification by outside auditors validates the integrity of Fort Pitt's performance reporting process through the below listed composite portfolios.

**Investment Strategies:**

As described above, Fort Pitt will allocate client assets among Individual Equity Securities, Fixed Income Securities and Mutual Funds/ETFs (or any combination of these products) according to the needs of each client.

**Equity and Fixed Income Securities:**

Fort Pitt's investment philosophy is to buy well-run businesses at reasonable prices. We take a business owner's perspective rather than that of a trader, focusing on a business's ability to build value over time. Stock and bond portfolios are tailored to address clients' financial goals. Fort Pitt's Portfolio Managers and Financial Advisors apply the following five step process:

1. Understanding client needs;
2. Applying a business-like approach to the management of assets;
3. Understanding and managing clients' risk tolerance;
4. Controlling costs; and
5. Monitoring, interpreting results and making adjustments as needed.

A fundamental “value-style” approach is used when actively managing individual stocks included in the equity portion of a client’s portfolio. While Fort Pitt’s equity investments are primarily comprised of large-cap securities, Fort Pitt also recommends investments in other categories of equity securities (i.e., mid-cap, small-cap, preferred) for diversification purposes. Individual -fixed income securities are used whenever discrete account size permits the achievement of appropriate fixed income diversification; however, overall quality and portfolio diversification is not sacrificed in the pursuit of yield. The fixed income portion of any client’s portfolio is used to temper, not enhance, volatility.

Cash will be invested in accordance with client objectives regarding cash levels and as opportunities arise to buy stocks and bonds at prices deemed to be attractive. Individual securities accounts can be designated by the client as either “Low Cash” or “High Cash” upon startup as a long-term target for cash or cash equivalents within the portfolio although individual cash holdings will vary. Low Cash portfolios are typically structured to focus on long-term objectives. High Cash portfolios are structured to provide for regular client account withdrawals based on the income needs of the client.

Fort Pitt also utilizes ETFs to allocate assets among a diversified mix of securities that include domestic equities, international equities and bonds. Specific analysis of investable ETFs includes a review of the management team, the historical risk and return characteristics of the ETF as well as any other factors considered relevant.

**No-Load Mutual Funds:**

Fort Pitt encourages all clients to read the prospectus for any recommended mutual fund investment and contact their Financial Advisor with any questions. Client mutual fund accounts are personalized and managed using carefully researched and selected mutual funds. Fort Pitt’s Portfolio Managers and Financial Advisors apply the following five step process:

1. Establish an investment policy based on clients’ stated goals and objectives;
2. Choose appropriate investment categories to obtain the right risk/return balance;
3. Determine how much to invest in each selected category;
4. Identify and select the funds in each category; and
5. Provide ongoing investment management and review.

Fort Pitt closely examines fund-level data such as share class availability, asset size, expenses, style consistency, diversification of the underlying portfolio, performance characteristics in varying market environments, and management’s track record. A comparison of funds to their peer groups is conducted as well. The up-front research conducted in choosing or recommending a new investment for our clients is merely the initial undertaking. Since Fort Pitt intends for client assets to be held for the long-term, the research into the firm’s investment choices, expense structures, and performance is ongoing.

After investing in a fund, conference calls are conducted with many of the mutual fund managers or investment teams on a periodic basis. Less formal discussions take place via telephone with mutual fund representatives and portfolio managers on an ad hoc basis. When more detailed dialogue is necessary, it is not uncommon for a fund manager to be interviewed by Fort Pitt's Investment Policy Committee.

Once an investment passes through the firm's quantitative filters, research is presented by the Portfolio Managers to the Investment Policy Committee. Meetings are held bi-monthly or more often as circumstances dictate to discuss strategy and additions or changes that are being implemented.

Fort Pitt has created composites for reporting and separating client assets. The following composites are made up of client portfolios with similar investment strategies.

1. **Total Return Composite** contains fully discretionary total return tax exempt accounts over \$250,000. The composite seeks to realize the combination of long-term capital appreciation and income that will produce maximum total return. It will invest primarily in common stocks of large, mid and small-sized U.S. companies. It may also invest in fixed-income investments when Fort Pitt determines that prospective returns from fixed income securities are competitive with those of common stocks.
2. **Taxable Total Return Composite** contains fully discretionary total return non-tax qualified accounts over \$250,000. The composite seeks to realize the combination of long-term capital appreciation and income that will produce maximum total return. It will invest primarily in common stocks of large, mid, and small-sized U.S. companies. It may also invest in fixed-income investments when Fort Pitt determines that prospective returns from fixed income securities are competitive with those of common stocks.
3. **Growth – Strategic Asset Allocation Composite** contains fully discretionary asset allocation accounts with capital appreciation as the primary objective. Accounts will invest primarily in equity mutual funds.
4. **Moderate Growth – Strategic Asset Allocation Composite** contains discretionary asset allocation accounts with a combination of growth and income as the objective. Accounts will primarily invest approximately 65-75% in equity mutual funds and ETFs and 25-35% in fixed income mutual funds and ETFs.
5. **Balanced – Strategic Asset Allocation Composite** contains discretionary asset allocation accounts with growth and income split as the objective. Accounts will primarily invest approximately 45-55% in fixed income mutual funds and ETFs and approximately 45-55% of the allocation in equity mutual funds and ETFs



6. **Conservative – Strategic Asset Allocation Composite** contains discretionary asset allocation accounts with capital preservation as the objective. Accounts will primarily invest approximately 65-75% in fixed income mutual funds and ETFs and approximately 25-35% allocated to equity mutual funds and ETFs.
7. **Investment Grade Fixed Income Composite** contains discretionary accounts composed primarily of individual bonds with income as the primary objective.
8. **Income-Strategic Asset Allocation Composite** contains discretionary asset allocation accounts with capital preservation as the primary objective. Accounts will invest primarily in bond mutual funds and ETFs with some accounts containing 0-15% in equity mutual funds and ETFs.
9. **Total Return Retail Composite** contains fully discretionary total return accounts that have a unique expense structure and unpredictable cash flows. The composite seeks to realize the combination of long-term capital appreciation and income that will produce maximum total return. It will invest primarily in common stocks of large, mid, and small-sized U.S. companies. It may also invest in fixed-income investments when Fort Pitt determines that prospective returns from fixed income securities are competitive with those of common stocks. The composite will also hold cash. The cash weighting has typically been between 5%-15%.
10. **Multi Asset Growth Composite** takes a multi asset approach with capital appreciation as the primary objective. Accounts will invest primarily in individual equities, equity mutual funds, and equity ETFs.
11. **Multi Asset Moderate Growth Composite** takes a multi asset approach with a combination of growth and income as the objective. Accounts will primarily invest approximately 25-35% in fixed income instruments including individual bonds, mutual funds, and ETFs and 65-75% equity instruments including individual stocks, mutual funds, and ETFs.
12. **Multi Asset Balanced Composite** takes a multi asset approach with growth and income split as the objective. Accounts will primarily invest approximately 45-55% in fixed income instruments including individual bonds, mutual funds, and ETFs and approximately 45-55% of the allocation in equity instruments including individual stocks, mutual funds, and ETFs.
13. **Multi Asset Conservative Composite** takes a multi asset approach with capital preservation as the objective. Accounts will primarily invest approximately 65-75% in fixed income instruments including individual bonds, mutual funds, and ETFs and approximately 25-35% allocated to equity instruments including individual stocks, mutual funds, and ETFs.
14. **Multi Asset Income Composite** takes a multi asset approach with capital preservation as the primary objective. Accounts will invest primarily in fixed income instruments such as individual bonds, mutual funds, and ETFs with some accounts containing 0-15% in equity instruments such as individual stocks, ETFs, and mutual funds.

Clients may request more detailed information about Fort Pitt's composites by contacting the firm at the address, telephone number and/or email address on the cover page.

**Risks:**

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized. Stock markets and bond markets fluctuate substantially over time. In addition, the performance of any investment is not guaranteed. Fort Pitt will manage client assets to the best of its ability; however, Fort Pitt cannot guarantee any level of performance or that clients will not experience a loss of account assets. There is always the risk that asset allocation decisions will not achieve the desired results and, as a result, a client's portfolio will underperform.

Equity securities represent an ownership percentage in a company. Certain investment risks relate to a company's market capitalization. Large capitalization companies generally include companies with market capitalizations of greater than \$10 billion. Larger, more established companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes. Many larger companies also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Mid capitalization securities are typically defined as companies with market capitalizations that are between \$2 billion and \$10 billion. Mid capitalization stocks tend to be riskier than large capitalization stocks but less risky than small capitalization stocks. Mid capitalization stocks, however, tend to offer more growth potential than large capitalization stocks as they can often transform into large capitalization stocks.

Small capitalization companies generally have a market capitalization of greater than \$300 million and less than \$2 billion. Small capitalization companies often involve higher risks than larger, more established companies because these companies lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, the frequency and volume of their trading are substantially less than is typical of larger companies. Therefore, the securities of small capitalization companies may be subject to greater price fluctuations. Small capitalization companies are typically not as widely followed by investors, which can lower the demand for their stock. In addition, a major risk involves the company's ability to create shareholder value (i.e., increase the value of the company's stock price).

Global investment risk is a broad term encompassing many different types of international risk factors, including currency risks, political risks, and interest rate risks. International investors should carefully consider these risk factors before investing in global securities. Currency Risk is

the risk associated with fluctuations in a foreign currency relative to the U.S. dollar. For example, a foreign company may report 25% earnings growth, but if its local currency depreciates by 10% relative to the U.S. dollar, the real growth rate is just 15% when the profits are converted back into U.S. dollars. Political Risk is the risk associated with foreign governments and politics. Interest Rate Risk is the risk of unfavorable changes to monetary policy. For instance, an emerging market economy may decide that its growing too quickly and act to contain inflation by hiking interest rates. These dynamics could have a negative impact on the value of financial assets that are priced based upon those interest rates.

Discerning what exactly differentiates developed and emerging markets can be challenging. Developed market countries are usually the most advanced economically. They have highly developed capital markets with high levels of liquidity, meaningful regulatory bodies, large market capitalization, and high levels of per capita income. An emerging market is, in short, a country in the process of rapid growth and development with lower per capita income and less mature capital markets than developed countries.

As illustrated above, investing primarily in one category (i.e. large cap) carries the risk that due to current market conditions that category is out of favor. Fort Pitt attempts to diversify client portfolios to limit the impact of an adverse business development occurring to one or two companies held within client portfolios. However, it is possible that a single economic event could affect the companies in a client's portfolio, particularly if that client has directed Fort Pitt to maintain concentrated positions in a certain economic sector. In addition, as investments will be periodically reallocated within client accounts, there are transaction costs which may be, over time, significant.

Although not a principal risk, Fort Pitt's managed fixed income portfolios are also subject to risks related to a company's ability to retire its debt at maturity, the current interest rate environment (which has been historically low), the coupon or dividend rate promised to bond holders and legal constraints. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have additional liquidity and currency risks. Call provisions allow an issuer to redeem a bond. An issuer is most likely to call its bonds when interest rates fall. In that situation the issuer seeks to lower its expenses by redeeming bonds and then reissuing them to take advantage of the lower interest rates. Such actions could result in losses.

**Cybersecurity Risks:**

The computer systems, networks and devices used by Fort Pitt and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches.

Despite the various protections utilized, systems, networks, or devices can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by Fort Pitt and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future. Fort Pitt identifies and assesses Cybersecurity Risks on an ongoing basis and has designed and is committed to updating its internal policies and procedures to address those risks to protect client information. Additional information regarding the firm's efforts to protect client information is available upon request.

**Public Health Risk.**

Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, can have a negative impact on the economy, and business activity of many organizations in which the firm may invest and thereby adversely affect the performance of clients' accounts.

**Business Continuity:**

Fort Pitt recognizes that all employees play an essential role within the organization. Fort Pitt attempts to reduce the potential for disruption to its business should any employee or the firm's locations suddenly become unavailable for an extended period of time.

In order to maintain operations during the commencement of a significant emergency or disaster, Fort Pitt will ensure all firm personnel are contacted to confirm their well-being and to provide information about altered work arrangements. Fort Pitt employees have the ability to perform their job functions remotely. Essential business and technology functions have been transitioned to cloud based service providers; therefore, the continuity of the firm's operations

does not rely on the accessibility of the firm's office locations. Fort Pitt takes very seriously its obligation to protect information and allow access to information in the event of a disaster.

Employees are provided with a copy of Fort Pitt's business continuity plan upon commencement of employment and on an annual (or as amended) basis thereafter. In addition, on at least an annual basis, the Plan is reviewed to ensure that business and technological changes in the past year have not rendered any portion of the plan ineffectual. The Chief Compliance Officer shall be responsible for providing annual training to all employees on the Plan and answering questions about employees' responsibilities to ensure the success of the Plan in the event of a disaster.

### **Item 9 – Disciplinary Information**

Fort Pitt does not have any legal, financial or other "disciplinary" item to report. Fort Pitt is required to disclose any disciplinary event that would be material to clients when opening an account or promptly upon discovery of such an event/item. This statement applies to the firm, and every employee.

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

Theodore Bovard and Michael Blehar are licensed insurance agents and write fixed annuities, as well as life, health, disability and long-term care insurance policies on behalf of Pittsburgh Brokerage Services, Inc. and other insurance agencies. The insurance services provided by these individuals are separate from the advisory services provided by Fort Pitt or any other Focus Partner. Mr. Bovard and Mr. Blehar receive separate compensation for acting as insurance agents and purchasing insurance and insurance-related products for clients of Fort Pitt. Mr. Bovard and Mr. Blehar generally spend less than 2% of their time on such activities.

#### **Focus Financial Partners, LLC**

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because Fort Pitt is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of Fort Pitt.

Fort Pitt does not believe that the Focus Partnership presents a conflict of interest with the firm's clients. Fort Pitt has no business relationship with other Focus Partners that is material to its advisory business or to its clients. None of KKR, Stone Point, or any of their affiliates participates in the management or investment recommendations of Fort Pitt's business.

### **Focus Client Solutions**

Fort Pitt offers clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of the firm's affiliate, Focus Client Solutions ("FCS"), a wholly owned subsidiary of Focus Financial Partners, LLC. These third-party financial institutions are banks and non-banks (the "Network Institutions") which offer credit and cash management solutions to clients. Certain other unaffiliated third parties provide administrative and settlement services to facilitate FCS's cash management solutions. FCS acts as an intermediary to facilitate clients' access to these credit and cash management solutions.

FCS receives quarterly fees (the "Network Fees") from the Network Institutions and certain administrative services providers (the "Administrative Services Providers" and, together with the Network Institutions, the "Network Providers") in exchange for allowing them to participate in the FCS credit and cash management programs and thereby to offer their services to clients. The Network Fees are substantial and are expected to change over time. Such fees are revenue for FCS and ultimately for the common parent company, Focus Financial Partners, LLC, but Fort Pitt does not share in such revenue. Additionally, together with Focus, Fort Pitt will pay FCS an amount equal to our pro rata share of the Network Fees obtained by FCS, and FCS will in turn rebate that amount to the Network Institutions on a pro rata basis. The effect of this payment/rebate mechanism is to eliminate the receipt of any incremental revenue by affiliates as a result of clients' use of FCS's services. Accordingly, Fort Pitt has addressed this potential conflict of interest by: (1) disclosing the above arrangements to clients; (2) offering FCS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment management services; (3) not sharing in any portion of FCS's revenue in exchange for successfully offering these credit and cash management products to clients; and (4) eliminating affiliates' receipt of revenue attributable to clients' use of FCS's services. Additionally, Fort Pitt notes that clients who use FCS's services will receive robust product-specific disclosure from the Network Providers that provide such services to clients.

Even if Fort Pitt and FCS do not retain a portion of the Network Fees attributable to clients' use of FCS's services (which mitigates the conflict that would otherwise have arisen from the receipt of incremental revenue), FCS indirectly benefits from clients' use of the services insofar as such use incentivizes the Network Providers to maintain their relationship with FCS and to continue paying Network Fees to FCS. It also may support increases in the overall amount of the Network Fee rates in the future. In addition, Fort Pitt's interest in continuing to receive investment management fees from client accounts provides a financial incentive to recommend that clients borrow money rather than liquidating some or all of the assets being managed, and that creates a conflict of interest when Fort Pitt recommends FCS to provide credit solutions to clients.

### *FCS Credit Solutions*

For FCS credit solutions, the interest rate of the loan is ultimately dictated by the lender, although in some circumstances FCS may have the ability to influence the lender to lower the interest rate of the loan within certain parameters. The final rate may be higher or lower than the prevailing market rate. Fort Pitt can offer no assurances that the rates offered to clients by the lender are the lowest possible rates available in the marketplace.

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While the FCS program facilitates secured loans through Network Institutions, clients are free instead to work directly with institutions outside the FCS program. Because of the limited number of participating Network Institutions and FCS's financial arrangements with those institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A Network Institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The Network Institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the Network Institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the investment management fees that clients pay Fort Pitt for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

### *FCS Cash Management Solutions*

For FCS cash management solutions, as stated above, certain third-party intermediaries provide administrative and settlement services in connection with the program. Those intermediaries each charge a fixed basis point fee on total deposits in the program,

which are deducted from clients' cash balances in the program. Engaging FCS, the Network Institutions, and these other intermediaries to provide cash management solutions does not alter the way Fort Pitt treats cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the Network Institutions, the intermediaries referenced above, and Fort Pitt. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in the FCS cash management program if the client prefers to hold cash at the Network Institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

## **Item 11 – Code of Ethics**

Fort Pitt has adopted a Code of Ethics which contains internal controls for the identification and mitigation of conflicts of interest and controls for providing disclosures to clients. Fort Pitt's Code of Ethics and Insider Trading policies and procedures provide for, among other things:

- Restricting access to client files;
- Providing continuing education and training to all employees;
- Restricting and/or monitoring trading on those securities for which the firm's employees have material nonpublic information;
- Requiring Fort Pitt employees to report and obtain pre-approval for all reportable personal transactions, outside business activities, and political contributions;
- Monitoring the securities trading of Fort Pitt and its employees; and
- Disclosing and/or mitigating any actual or perceived conflicts of interest of Fort Pitt and its employees.

Fort Pitt and its employees may purchase securities (including shares of the Fund) for their personal accounts that they also recommend to firm clients. The majority of securities and mutual funds/ETFs used by the firm are widely held and publicly traded, thereby all but eliminating conflicts of interest and, as noted above, any Fort Pitt employee that wishes to place trades within their own personal accounts must obtain pre-clearance for the transaction from an executive officer of Fort Pitt (as defined in the Code of Ethics). Employees of Fort Pitt may also choose to have their account managed by Fort Pitt, like any other client. In such cases, employee accounts would receive the same average share price and/or random allocation on the same day that client trades are being executed.

Employees will not take into consideration their own financial situation when providing investment advice to clients. All employees shall use their best judgment when providing



investment advice. Fort Pitt conducts testing of employee trading activity against client trading activity each quarter to ensure that employees are not utilizing information obtained as part of their work with Fort Pitt for their own benefit rather than for the benefit of clients.

Fort Pitt requires all employees to sign an acknowledgment of receipt of the Code of Ethics at the time of hire, as amended and annually thereafter. Compliance is the responsibility of every employee of Fort Pitt. Fort Pitt's Chief Compliance Officer is committed to fostering a strong culture of compliance within the firm and encourages all employees and clients to ask questions about the firm's Code of Ethics and policies and procedures. Clients may request a complete copy of Fort Pitt's Code of Ethics by contacting the Chief Compliance Officer at the address, telephone number and/or email address on the cover page.

## **Item 12 – Brokerage Practices**

Fort Pitt's policy is to seek the best price and most favorable execution of client transactions considering all circumstances. This means that the firm reviews the fees being charged to clients by Fort Pitt as well as the costs charged by other organizations including the custodians, brokers and investment products utilized when managing client assets. It's not just about what Fort Pitt charges but also what clients are paying.

In most cases, Fort Pitt has discretionary authority to determine the securities to be bought or sold, including the amount of such securities, consistent with the terms of the Investment Management Agreement signed by each client. Even with giving full discretionary to Fort Pitt, the firm cannot guarantee that clients will receive best execution in all circumstances; however, Fort Pitt is actively monitoring the fees charged by organizations other than Fort Pitt to try to minimize the costs incurred by clients where possible.

Fort Pitt evaluates quantitative data including trading costs, execution speed, execution prices, ability to complete transfers and payments from client accounts and also evaluates qualitative data including the availability of investment products (i.e, stocks, bonds, mutual funds, share classes), research capabilities and ease of accessing research, and overall responsiveness of the broker to client and firm requests and inquiries. Proven commitment by brokers to maintaining and advancing available technology is also considered. For these and other reasons, Fort Pitt does not always place brokerage transactions on the basis of the lowest possible cost. Fort Pitt reviews its brokerage relationships on an ongoing basis and conducts quarterly best execution testing with respect to the broker-dealers utilized for client transactions during each quarter.

Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Fort Pitt currently recommends that clients establish custodial relationships and corresponding brokerage accounts with Charles Schwab, Fidelity Investments and/or TD Ameritrade. Transactions are executed by broker-dealers upon instruction from Fort Pitt. Fort

Pitt may also be designated as an authorized provider on other custodial platforms in order to provide services to clients that come to Fort Pitt with existing brokerage/custodial relationships. While Fort Pitt recommends the above custodians, all clients enter into a separate custodial agreement with their chosen custodian.

Fort Pitt is independently owned and operated and is not affiliated with Charles Schwab, Fidelity Investments or TD Ameritrade, all FINRA registered broker-dealers. Fort Pitt does not receive any formal soft dollar benefits from Charles Schwab, Fidelity Investments or TD Ameritrade; however, the firm has access to certain products and services and receives certain benefits (as described below and in Item 14) as a result of the firm's recommendations of their brokerage and custodial services.

### **Charles Schwab**

Schwab Advisor Services is Charles Schwab's business serving independent investment advisory firms like Fort Pitt. Charles Schwab provides Fort Pitt with access to its institutional trading and custody services. In addition, Charles Schwab provides trading, custody, reporting and related services which are typically not available to retail investors. Charles Schwab also makes available various support services, some of which help Fort Pitt manage client accounts while others help Fort Pitt grow its business. Charles Schwab does not supervise Fort Pitt and has no responsibility for the management of clients' portfolios or Fort Pitt's other advice or services. Charles Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are generally available only to institutional investors or would require a significantly higher minimum initial investment. These services generally benefit Fort Pitt clients and their accounts.

For Fort Pitt's client accounts maintained in its custody, Charles Schwab does not charge separately for custody services but is compensated by charging clients commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab or that settle into Charles Schwab accounts. Charles Schwab's commission rates and fees were negotiated by Fort Pitt based on the firm's commitment to maintain a certain level of client assets in accounts custodied at Charles Schwab. This commitment benefits the firm's clients because the overall commission rates and fees charged are lower than they would be if Fort Pitt had not made that commitment. Charles Schwab charges a flat dollar amount as a "trade away" fee for each trade executed at a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Charles Schwab account. These fees are in addition to the commission or other compensation paid by the client to the executing broker-dealer. Because of this, in order to minimize trading costs, Fort Pitt will execute most trades for a Charles Schwab account through Charles Schwab.

Charles Schwab also makes available to Fort Pitt other products and services that benefit the firm but may not directly benefit client accounts. Many of these other products and services are used to service all or some substantial number of Fort Pitt's accounts, including accounts not maintained at Charles Schwab. Such services include research (both Charles Schwab's own research and that of third parties), software and other technology that provide access to client account data such as trade confirmations and account statements; facilitate trade execution and allocation of aggregated trade orders for multiple client accounts; provide pricing and other market data; facilitate payment of Fort Pitt's fees from client accounts; and assist with back-office functions, recordkeeping and client reporting.

Charles Schwab also offers other services intended to help Fort Pitt manage and further develop its business enterprise. These services include educational conferences and events; technology, compliance, legal and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers. In some cases, Charles Schwab may make these services available itself. In other cases, Charles Schwab will arrange for third-party vendors to provide the services to Fort Pitt. Charles Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Fort Pitt.

Charles Schwab may also provide other benefits such as occasional business entertainment to firm personnel. In evaluating whether to recommend that clients custody their assets at Charles Schwab, Fort Pitt may consider the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers which creates a potential conflict of interest.

### **Fidelity Investments**

Factors that Fort Pitt considers in recommending Fidelity Investments include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables Fort Pitt to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealers. Fort Pitt may also receive from Fidelity Investments, without cost, computer software and related systems support because Fort Pitt renders investment management services to clients that, combined, maintain a certain level of assets at Fidelity Investments.

In addition, Fort Pitt receives the following benefits from Fidelity Investments through their Registered Investment Advisor Group: receipt of duplicate client confirmations and statements, access to a trading desk that exclusively services its participants, access to

block trading which provides the ability to combine or batch securities transactions and then allocate the appropriate shares to client accounts, and access to an electronic communications network for client order entry and account information.

### **TD Ameritrade**

Fort Pitt participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Fort Pitt and its clients receive benefits through its participation in TD Ameritrade’s Institutional Customer Program that are typically not available to their retail investors. There is no direct link between Fort Pitt’s participation in the Program and the investment advice it gives to its clients. The benefits received by Fort Pitt include: receipt of duplicate client confirmations; research related products and tools; consulting services; access to a trading desk serving Program participants; access to block trading; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Fort Pitt by third-party vendors. TD Ameritrade may also pay for business consulting and professional services received by Fort Pitt and its employees. Some of the products and services made available by TD Ameritrade through the Program benefit the firm but not its client accounts. These products and services assist Fort Pitt in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Fort Pitt manage and further develop its business enterprise. The benefits received by Fort Pitt do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of its fiduciary duties to clients, Fort Pitt endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Charles Schwab, Fidelity Investments and TD Ameritrade creates a conflict of interest and may indirectly influence Fort Pitt’s choice for custody and brokerage services. No commissions or fees of any kind will be paid by Charles Schwab, Fidelity Investments and/or TD Ameritrade to Fort Pitt.

Fort Pitt strives to execute each securities transaction in such a manner that the client’s total cost or proceeds in each transaction is the most favorable when compared to other available providers and their services. Fort Pitt will block, batch, bunch or aggregate client orders whenever possible to enable all clients that participate in a particular order to receive the same

average share price. When executing trades, Fort Pitt will rotate the order in which the trade orders are placed to ensure that the trades executed at a specific broker are not always placed first. In most cases, Fort Pitt will execute client transactions using the broker-dealer/custodian chosen by the client at the time of account opening. Fort Pitt believes in value investing and as such utilizes limit orders in most instances. Due to this trading strategy, it may take several weeks/months for a trade to be fully executed. Nevertheless, each daily partial execution will be allocated randomly among client accounts included in the original trade and each client will receive that day's average price and average commission, subject to minimum ticket charges. Not every client will receive a full and fair allocation for every trade; however, Fort Pitt seeks to provide allocation in the fairest way to the widest group of clients.

On occasion, Fort Pitt may determine that for fixed income transactions it is beneficial to execute transactions through another broker-dealer. Fort Pitt considers the terms of each fixed income purchase (i.e., maturity, credit quality, price and fees) as well as other customer-specific factors when executing transactions. On a case-by-case basis, by reviewing all available data, Fort Pitt decides which broker should be utilized for fixed income trading. For example, several brokers may list different block (quantities) of bonds that are available for purchase. Based on the number of shares needed, Fort Pitt must purchase an appropriate block of fixed income securities to allow for the allocation to the affected clients. The decision is also affected by the transaction costs to be paid.

To the extent that brokerage transactions are placed with a particular broker-dealer, as directed by a client, Fort Pitt's ability to negotiate commissions, aggregate orders and seek execution of transactions as efficiently as possible and at the best price, will likely be eliminated. Clients that direct Fort Pitt to use a particular broker-dealer will pay higher commissions than those who do not. There are also times when Fort Pitt is not the primary advisor on a client account. This typically occurs when a client retains Fort Pitt to manage assets that are held through a bank trust department and/or financial intermediary. In such cases, Fort Pitt is subject to the same limitations in negotiating commissions and/or trading costs. Fort Pitt does not engage in Principal Trading or Agency Cross Transactions.

### **Item 13 – Review of Accounts**

Fort Pitt's Portfolio Managers review portfolio holdings on an ongoing basis. Individual client reviews are periodically conducted by Financial Advisors and can be provided on an "as needed" or "as requested" basis as dictated by the client.

Prior to each client review, Fort Pitt assembles a summary of the historical information provided to Fort Pitt by the client. Fort Pitt and the client should review this information together to determine if updates are necessary. Additionally, a review of the client's overall portfolio structure and asset allocation (including managed and non-managed assets) is

conducted to ensure that they are consistent with the client's stated objective, time horizon and risk tolerance.

On a more frequent basis, various triggering factors can occur which necessitate the review of client accounts by the Portfolio Managers and/or the Investment Policy Committee. These factors include significant changes in stock market prices, bond market prices and other capital market movements, changes in interest rates, inflation rates, GDP growth and international currency movements and/or changes in the investment products made available to the firm.

The Investment Policy Committee is made up of Fort Pitt's Financial Advisors, Portfolio Managers and research staff and provides general oversight of the investment management process.

### **Reports**

As part of the firm's active Investment Management Services, clients of Fort Pitt receive quarterly reports on their managed account assets. Each client's quarterly report includes the following:

1. Portfolio information detailing quarter end positions, prices, shares, market values, percentages of portfolio.
2. Performance summary showing portfolio percentages indicating the returns of your investments for certain time periods including quarterly and year-to-date, as well as the performance of benchmarks.
3. Summaries of fees paid by and through the account(s) for the quarter.

Fort Pitt delivers quarterly client reports electronically through a secure, internet-based document hosting portal. A client may also request that hard copy reports are mailed to their address of record. Clients will receive transaction statements at least quarterly from their custodian.

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

Fort Pitt has arrangements in place with certain third parties whereby the firm provides compensation to those third parties for client referrals by paying them a percentage of the investment management fees received by Fort Pitt. Solicitation arrangements inherently give rise to conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of Fort Pitt for investment management services. Rule 206(4)-3 of the Advisers Act (the "Cash Solicitation Rule") addresses this conflict of interest by requiring the solicitors to make certain disclosures to solicited clients.

In accordance with the Cash Solicitation Rule, Fort Pitt requires third party solicitors who introduce potential clients to the firm to provide the potential client with a copy of this disclosure Brochure and a copy of the solicitor's disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the compensation the solicitor is to receive. Any referral fees incurred for successful solicitations are paid solely from Fort Pitt's investment management fee, and do not result in any additional charge to the client. Fort Pitt has solicitor relationships with the firms and individuals described below. Fort Pitt at least annually confirms that these solicitors are providing clients with a current copy of Fort Pitt's disclosure Brochure along with the required written solicitor disclosure documents.

### **Fidelity Investments**

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

Under the WAS Program, FPWA acts as a solicitor for Fort Pitt, and Fort Pitt pays referral fees to FPWA for each referral received based on Fort Pitt's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment adviser, and any referral from FPWA to Fort Pitt does not constitute a recommendation or endorsement by FPWA of Fort Pitt's particular investment management services or strategies.

More specifically, Fort Pitt pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Fort Pitt has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by Fort Pitt and not the client.

To receive referrals from the WAS Program, Fort Pitt must meet certain minimum participation criteria, but Fort Pitt may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services LLC ("FBS"). As a result of its participation in the WAS Program, Fort Pitt has a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for

certain client accounts, and Fort Pitt has potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Fort Pitt as part of the WAS Program. Under an agreement with FPWA, Fort Pitt has agreed that Fort Pitt will not charge clients more than its standard investment management fees disclosed in Item 5 above to cover the solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Fort Pitt has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Fort Pitt's fiduciary duties would so require, and Fort Pitt has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, Fort Pitt may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Fort Pitt's duty to select brokers on the basis of best execution.

### **Charles Schwab**

Fort Pitt receives client referrals from Charles Schwab through participation in ***Schwab Advisor Network***, an adviser referral service designed to help investors find an independent personal investment manager in their area. Fort Pitt pays Charles Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Charles Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Fort Pitt is a percentage of the value of the assets in the client's account. Fort Pitt pays Charles Schwab the Participation Fee as long as the referred client's account remains in custody at Charles Schwab. The Participation Fee is billed to Fort Pitt quarterly and may be increased, decreased or waived by Charles Schwab from time to time.

Fort Pitt generally pays Charles Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Charles Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Charles Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Charles Schwab.

The Non-Schwab Custody Fee is higher than the Participation Fees Fort Pitt generally would pay in a single year. Thus, Fort Pitt will have an incentive to recommend that client accounts be held in custody at Charles Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of clients who were referred by Charles Schwab and those referred clients' family members living in the same household. Thus, Fort Pitt has an incentive to encourage household members of clients referred through the Advisor Network Program to maintain custody of their accounts and execute



transactions at Charles Schwab and to instruct Charles Schwab to debit Fort Pitt's fees from the accounts.

Fort Pitt has agreed not to charge clients referred through the service fees or costs greater than the fees or costs Fort Pitt charges clients with similar portfolios who were not referred through the Charles Schwab.

### **TD Ameritrade**

Fort Pitt receives client referrals from TD Ameritrade through its participation in ***TD Ameritrade's AdvisorDirect Program***. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Fort Pitt may have been selected to participate in AdvisorDirect based on the amount of profitability to TD Ameritrade of the assets in and trades placed for client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Fort Pitt and there is no employee or agency relationship between them. TD Ameritrade established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Fort Pitt and has no responsibility for the management of Fort Pitt's client portfolios or other advice or services. Fort Pitt pays TD Ameritrade an on-going fee for each successful client referral; however, Fort Pitt will not charge higher fees/costs or pass on TD Ameritrade referral fees to AdvisorDirect clients. This fee is usually a percentage (not to exceed 25%) of the investment management fee that the client pays to Fort Pitt ("Solicitation Fee"). Fort Pitt will also pay TD Ameritrade the Solicitation Fee on any investment management fees received by Fort Pitt from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Fort Pitt on the recommendation of such referred client. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Fort Pitt's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, to obtain client referrals from TD Ameritrade, Fort Pitt has an incentive to recommend to clients that their assets under management are held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Fort Pitt has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except

when its fiduciary duties require doing so. Fort Pitt's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

### **Separate Solicitation Agreements**

Fort Pitt has entered into separate Solicitors and/or Consulting Agreements with several individuals and/or entities pursuant to which they are paid for referring clients to Fort Pitt. These individuals are not affiliated with Fort Pitt and have no responsibility with respect to choosing investments or managing client portfolios. Solicitation arrangements inherently give rise to conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of the firm's investment management services. Fort Pitt addresses these conflicts through this disclosure and remaining in compliance with the SEC's cash solicitation rule. Pursuant to the terms of each individual's solicitation agreement, Fort Pitt will pay out a percentage of the investment management fee for any referred client. A description of the exact percentage of fees to be paid to any one of these individuals is provided to each solicited client as part of their solicitor disclosure documents.

### **Other Benefits**

Fort Pitt's parent company is Focus Financial Partners LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Fort Pitt, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Fort Pitt. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Fort Pitt. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Fort Pitt to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the costs of the meeting or future meetings and not as revenue for itself or any affiliate, including Fort Pitt. Conference sponsorship fees are not dependent on assets being placed with any specific provider or revenue generated by such asset placement. The following entities have provided conference sponsorship to Focus in the last year: Charles Schwab & Co, Inc., eMoney Advisors, LLC, Investnet Financial Technologies, Inc., Fidelity Brokerage Services LLC, Fidelity Institutional Asset Management LLC, Orion Advisor Services, LLC.

Fort Pitt also receives other economic benefits in the form of monetary support for client appreciation dinners, client seminars, educational conferences and meetings and related materials sponsored by various financial institutions, including but not limited to custodians,

broker-dealers (including those listed above), mutual funds, insurance and annuity companies and other vendors with whom Fort Pitt has an agreement for products and services. Fort Pitt receives monetary support and business development allowances for technology, investment research, marketing and advertising from these entities, as well as monetary support and/or guest speakers for client events. The availability of such products and services is not based on Fort Pitt giving particular investment advice, such as buying and selling specific securities for clients; however, clients should be advised that a conflict of interest exists to the extent that Fort Pitt recommends products from these financial institutions or other vendors.

### **Item 15 – Custody**

Fort Pitt does not maintain custody of client funds and/or securities except to the extent that the firm directly debits investment management fees from client accounts and has the ability to submit third party withdrawals (i.e., checks, wires, journals, MoneyLink) to the custodian(s) on clients' behalf, based on standing instructions. Any contributions received from clients (checks received for cash deposits or Retirement Asset rollovers) are deposited into client accounts promptly (typically within 24 hours) upon receipt. Logs are maintained and testing is performed to ensure that client deposits are processed in an accurate and timely manner.

In addition to the quarterly reports of managed assets provided by Fort Pitt to all clients (as described in Item 13 above), clients will receive account statements directly from their qualified custodian at least quarterly. Statements are sent to the email or postal mailing address provided by clients to their qualified custodian. All clients are encouraged to compare the account statements received from the qualified custodian and the Reports provided by Fort Pitt.

### **Item 16 – Investment Discretion**

In most cases, Fort Pitt has the authority to determine, without obtaining specific client consent, the securities to be bought and sold in client accounts and the amount of such securities to be bought and/or sold. On a more limited basis, and only upon client request, Fort Pitt provides non-discretionary investment advisory services. The terms and conditions of any services provided by Fort Pitt are dictated by the Investment Management Agreement signed by the client and Fort Pitt. Fort Pitt maintains discretion over the choice of broker for fixed income transactions. With respect to all other trading activity, Fort Pitt recommends certain broker-dealers and each client selects their broker-dealer at the time of account opening. Fort Pitt does not determine the amount of brokerage commissions to be charged for transactions in client accounts, however, due to Fort Pitt's relationships with them (as described in Item 14 above), clients may be entitled to reduced or waived trading costs.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

Fort Pitt votes proxies as required for client accounts where the power has been granted by clients to the firm. Clients have the right, but not the obligation to assume responsibility for voting rights of the shares that they own. Generally, Fort Pitt votes shares of securities managed by the firm. Decisions regarding voting rights for non-managed accounts and/or segregated positions are made on a case-by-case basis. Testing is conducted by compliance periodically throughout the year to ensure that shares are being voted in accordance with client direction and in a manner consistent with the firm's proxy voting policies. The firm's guiding principle is to do what is believed to be in the best interest of shareholders when voting proxies. Any potential merger, acquisition or divestiture will be judged on its merits for the shareholders on whose behalf Fort Pitt acts.

In the event of any potential conflicts of interest, the matter will be forwarded to Fort Pitt's Proxy Voting Manager. The Proxy Voting Manager will consult with the Chief Investment Officer to determine an appropriate course of action. If the firm is unable to determine which way to vote a proxy, a third-party proxy voting service will be engaged to assist Fort Pitt in determining what action to take. A full copy of Fort Pitt's proxy voting policies, as well as information regarding how a particular issue was voted, is available by contacting the firm at the address, telephone number and/or email address on the cover page.

## **Item 18 – Financial Information**

Fort Pitt does not require prepayment of advisory fees six months or more in advance; therefore, the firm is not required to provide an audited financial statement.

## FACTS

### WHAT DOES FORT PITT CAPITAL GROUP LLC DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

During the normal course of business, Fort Pitt Capital Group LLC collects certain personally identifiable financial information about its customers to ensure that it offers the highest quality financial services and products. This information can include:

- Social Security number
- Information we receive from you on applications or other forms
- account balances, retirement assets and transaction history
- employment information including income
- investment experience and risk tolerance
- Information collected through an internet “cookie” (information collecting device from a web server); and
- Information we receive from a consumer reporting agency.

Even when you are *no longer* our customer, we will continue to share your information *only* as described in this notice.

#### How?

All financial companies need to share **customer’s** personal information to run their everyday business. In the section below, we list the reasons financial companies can share their **customer’s** personal information; the reasons Fort Pitt Capital Group LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Fort Pitt Capital Group LLC share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don’t share
<b>For our affiliates’ everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates’ everyday business purposes—</b> information about your creditworthiness	No	We don’t share
<b>For nonaffiliates to market to you</b>	No	We don’t share

#### Questions?

Call 412-921-1822 or go to [www.fortpittcapital.com](http://www.fortpittcapital.com)

Who we are	
Who is providing this notice?	Fort Pitt Capital Group LLC
What we do	
How does Fort Pitt Capital Group LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Fort Pitt Capital Group LLC also restricts access to your personal information to those employees who need to know that information to provide services to you.
How does Fort Pitt Capital Group LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ open an account or give us your income information</li> <li>■ tell us about your investment or retirement portfolio</li> <li>■ make deposits or withdrawals from your account</li> <li>■ seek advice about your investments</li> <li>■ enter into an investment advisory contract</li> </ul> <p>We also collect your personal information from other companies, such as the custodians that hold your account assets.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Our affiliates include Focus Operating, LLC and Focus Client Solutions, LLC.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>We may share collected information with certain nonaffiliated third parties such as attorneys, accountants, auditors and persons/entities that are assessing our compliance with industry standards; however, Fort Pitt Capital Group LLC does not share with nonaffiliates so they can market to you. Contractual agreements with all nonaffiliated third parties prohibit them from disclosing or using the information other than to carry out the purposes for which the information is disclosed.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ <i>Fort Pitt Capital Group LLC does not jointly market.</i></li> </ul>