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# Public Trust Advisors, LLC

## Firm Brochure Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Public Trust Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 1-855-395-3954 or by email at: [randy.palomba@publictrustadvisors.com](mailto:randy.palomba@publictrustadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Public Trust Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Public Trust Advisors, LLC's CRD number is: 159189*

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*Registration does not imply a certain level of skill or training.*

Version Date:  
04/26/2016

## Item 2: Material Changes

This section describes the material changes to Public Trust's Brochure since its annual updating amendment on March 24, 2016. This Brochure contains the following updates:

- Firm address has been updated to reflect the recent relocation of the firm's corporate offices.
- Description of the Advisory Firm (Item 4, Part B) has been updated to provide information about the recent purchase of an investment management business.
- Amounts under Management (Item 4, Part E) has been updated to include updated regulatory assets under management (RAUM) following the recent purchase of an investment management business.
- Brochure Supplement (Part 2B of Form ADV) has been updated to include two (2) additional Investment Adviser Representatives.

In addition, this section describes the material changes to Public Trust's Brochure since the prior annual updating amendment on March 27, 2015:

- Description of the Advisory Firm (Item 4, Part A) has been updated to provide a more detailed description of services provided by Public Trust Advisors, LLC ("Public Trust") as a sub-advisor for unaffiliated registered investment advisers.
- Types of Advisory Services (Item 4, Part B) has been revised to include non-profit corporations and charitable organizations as clients. Additionally, language regarding client's investment policy changes has been modified to include the review for non-compliant securities and remedial actions.
- Types of Advisory Services (Item 4, Part B) has been updated to include the following: Effective August 3, 2015 Public Trust took on the administrative, transfer agency and accounting services for the Louisiana Asset Management Pool ("LAMP"). Effective, May 1, 2015 Public Trust took on the portfolio management, fund accounting, administrative and transfer agency services for the TrustIndiana Local Government Investment Pool ("LGIP"). Effective July 15, 2015, Public Trust took on portfolio management, fund accounting, administrative and transfer agency services for Florida Cooperative Assets Securities System ("FLCLASS) LGIP.
- Fees and Compensation (Item 5, Part A) has been updated to reflect the inclusion of LAMP as Public Trust only provides fund accounting, administrative and transfer agency services for this client. The inclusion of an additional fee structure for separately managed accounts was also added.
- Types of Clients (Item 7) has been updated to be more detailed, which now includes non-profit corporations (hospitals, schools, colleges and cultural institutions that have raised funds through the issuance of tax exempt debt obligations.) Language regarding minimum account size has been modified to state that accounts will be evaluated on a case by case basis.
- Methods of Analysis Investment Strategies, and Risk of Investment Loss (Item 8, Part A) now includes a section on Bond Proceeds.
- Material Risks Involved (Item 8, Part B) has had the Municipal Project-Specific Risk section removed as this isn't applicable.
- Trading Securities At/Around the Same Time as Clients' Securities (Item 11, Part D) has been updated to provide a more detailed explanation.
- Review of Accounts (Item 13, Part C) now includes that LGIP custodian statements are provided to the Boards or at a minimum a contact of the LGIP on a quarterly basis.
- Compensation to Non – Advisory Personnel for Client Referrals (Item 14, Part B) has been updated to provide a more detailed explanation.
- Client Referrals and Other Compensation (Item 14, Part B) has been updated to disclose that Public Trust no longer has an agreement with StoneCastle Cash Management, LLC.

Pursuant to SEC Rules, we will provide you with one or more of the following:

- An updated annual brochure that includes a summary of any material changes to the Brochure during the course of the previous business year within 120 days of the close of Public Trust Advisors, LLC's fiscal year end of December 31st.
- An interim amendment to the brochure if new information in response to Disciplinary Information (Item 9) is available; and
- An interim amendment resulting from any material change that could affect the relationship between our client(s) and Public Trust Advisors, LLC.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Public Trust Advisors, LLC is a Limited Liability Company organized in the state of Colorado.

This firm has been in business since September of 2011, with offices in 8 states including CA, CO, CT, FL, NM, NY, OH and TX. The principal owners are Thomas D Jordan, Gregory S Wright, Randy S Palomba, Thomas N Tight, John F Grady and Chris M. DeBow.

Public Trust Advisors, LLC (hereinafter "Public Trust") may from time to time utilize the services of a third party in a sub-advisory capacity to provide certain services to its clients, including, but not limited to, arbitrage rebate compliance services. In these cases, Public Trust will obtain written permission from the client and ensure the client receives all required disclosure information regarding the sub-adviser. Public Trust will continually monitor the services provided by the sub-adviser.

Public Trust may also, from time to time serve as a sub-advisor to a small number of accounts for unaffiliated registered investment advisers. The unaffiliated registered investment advisor would enter into an agreement with Public Trust which would allow the unaffiliated registered investment advisor to hire Public Trust to provide investment management services to its clients. In such cases, each client enters into an investment advisory agreement with the unaffiliated investment advisor. These clients remain sole clients of the unaffiliated registered investment advisor while any sub-advisory services by Public Trust are being provided.

### B. Types of Advisory Services

Public Trust offers the following services to advisory clients:

#### *Investment Advisory Services*

Public Trust offers investment advisory services predominantly to state and local U.S. government entities, non-profit corporations and charitable organizations ("Clients"). These services are provided on either a discretionary or non-discretionary basis, depending upon each Client's needs and requirements and subject to the written investment guidelines provided by each Client. The investment guideline information provided by each Client, together with any other information relating to the Client's overall investment requirements ("Investment Policy Statement"), will be used by Public Trust to determine the appropriate investment strategy for each client portfolio.

On March 31, 2016 Public Trust Advisors, LLC completed the purchase of the portfolio management business from BLX Group, LLC, an SEC registered investment advisory firm. Pursuant to the terms of each client's investment advisory agreement, each client has approved, in writing, the assignment of their agreement to Public Trust Advisors, LLC.

Public Trust does not assume any responsibility for the accuracy of the information provided by a Client and is not obligated to verify any information received from a Client. Under all circumstances, Clients should promptly notifying Public Trust in writing of any changes to their Investment Policy Statement. In the event that a Client notifies Public Trust of changes to its Investment Policy Statement, Public Trust will review such changes, perform a compliance verification to identify any non-compliant securities, and implement any necessary revisions or remedial actions to the Client's portfolio.

Public Trust invests Client assets predominantly in fixed income securities. Please refer to Item 8 for additional information about Public Trust's methods of analysis, investment strategies, and their associated risks.

#### ***Administrative and Transfer Agency Services***

Public Trust provides administrative and transfer agency services to the Local Government Investment Pools (LGIP's) of Colorado Local Government Liquid Asset Trust ("COLOTRUST"), Michigan Cooperative Liquid Assets Securities System ("Michigan CLASS"), New York Cooperative Liquid Assets Securities System ("NYCLASS"), Texas Cooperative Liquid Assets Securities System ("Texas CLASS"), Louisiana Asset Management Pool ("LAMP"), Florida Cooperative Liquid Assets Securities System ("FLCLASS"), and TrustINDiana. Services provided, include but are not limited to, the maintenance of participant records, transactions and account balances; and money movements based on client requests.

#### ***Fund Accounting Services***

Public Trust provides fund accounting services for COLOTRUST, Michigan CLASS, NYCLASS, Texas CLASS, FLCLASS, LAMP, and TrustINDiana, which entails the daily accounting of assets, income earned and expenses to derive an NAV and a daily dividend rate to be paid to participants. Additional services provided are annual financials and Board reports.

#### ***Consulting Services***

Public Trust also provides investment related consulting services to clients. Consulting services may include the following:

- Request for proposal (RFP) creation and implementation.
- Review of investment portfolio(s) and investment policies.
- Review of organization structure and functions regarding the investment activities.
- Review of investment compliance with applicable state and internally imposed requirements.
- Future investment planning strategies and implementation analysis and recommendations.
- Broker/Dealer selection assistance.
- Banking institution selection assistance.
- Investment risk analysis.

## **C. Client Tailored Services and Client Imposed Restrictions**

Public Trust offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current investment objectives (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

At the beginning of the client relationship, Public Trust contacts the client to gather and discuss information regarding their overall investment objectives and guidelines. Where applicable an Investment policy is requested from the client and utilized to tailor the investments and objectives of the portfolio. From there we assist the client in determining the best investment strategy or strategies that are best suited to meet the client's needs and objectives. Once a client has selected an investment strategy or strategies, we provide continuous supervision and management of the assets. Clients are responsible for informing us of any changes to their investment objectives and /or restrictions.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Public Trust DOES NOT participate in any wrap fee programs.

## **E. Amounts Under Management**

As of March 31, 2016 Public Trust had discretionary assets under management in the amount of \$13,664,883,149 and non-discretionary assets under management in the amount of \$2,321,678,353. In addition, Public Trust offers investment advisory services with respect to assets in the amount of \$1,315,815,403.

# **Item 5: Fees and Compensation**

## **A. Fee Schedule**

### ***Investment Advisory Services Fees***

Local Government Investment Pool (LGIP) accounts fees are calculated based on either previous closed period's net asset value or current day's shares outstanding. Fees shall be calculated as follows:

- (Current Day's Shares Outstanding) The current day's shares outstanding will be multiplied by the applicable fee rate(s) and is divided by 365 or 366 days in the event if a leap year to equal the daily Fee accrual. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of the fees.

- (Previous Closed Period's Net Asset Value) The net assets of the previous closed period (i.e. Thursday's net asset figure is utilized as the basis for the fee calculation for Friday, Saturday and Sunday. This methodology holds true for holiday days as well that fall on a Monday through Friday) will be multiplied by the applicable fee rate(s) and is divided by 365 or 366 days in the event if a leap year to equal the daily Fee accrual.

Fees paid to Public Trust for the LGIP accounts cover portfolio management, fund accounting, administrative and transfer agency services and may cover various auxiliary expenses, including but not limited to, legal, audit, and board expenditures. These fees are generally paid monthly by the client to Public Trust. Public Trust only provides fund accounting, administrative and transfer agency services to the LAMP. Fees for LAMP are based on the current day's shares outstanding.

Separately managed accounts fees are based on the average market value or the average market value plus accrued interest of the underlying net assets under management, or the ending market value for the quarter. Fees are calculated based on the number of days in the month and year for the billing period which can be either monthly or quarterly. These fees are based upon the needs of the client and complexity of the situation, agreed to in writing with the client and evidenced in the final fee schedule of the executed Investment Advisory Agreement. Fees are invoiced to the client and are paid either monthly or quarterly in arrears. Clients may terminate their contracts per the terms of their Investment Advisory Agreement with Public Trust. Because fees are charged in arrears, no refund policy is necessary. Annual fees can be up to 0.30%, depending on a number of factors, including but not limited the amount of assets being managed. Fees will be collected via check, Automated Clearing House (ACH), bank wire, or paid by the custodian after deduction from the client's account (where applicable.) Fees associated with Public Trust services are negotiated on a case by case basis.

### ***Consulting Services Fees***

Payment received by Public Trust providing consulting services to clients is based on the scope of work to be performed, the time frame of the work, and complexity of the work to be completed. These fees are generally charged at a fixed rate. Fees may be charged based on a percentage of net assets or at an hourly rate.

All fees charged to clients are fully described in the Investment Advisory Agreement between the client and Public Trust.

The firm may from time to time charge a fixed rate for services. The amount is negotiable and depends on the extent of services required and is mutually agreed to, in writing, by the Client and Public Trust.

## **B. Other Fees and Expenses**

Clients should understand that the advisory fees described herein may not include certain charges imposed by third parties such as custodial fees and expenses. Client assets may also be subject to (as applicable) transaction costs, retirement plan administration fees, odd-lot

differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

These fees and expenses are separate from and in addition to the fees charged by Public Trust. Accordingly, each Client should review all applicable fees, to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

### **C. Prepayment of Fees**

Not Applicable.

### **D. Outside Compensation for the Sale of Securities to Clients**

Neither Public Trust nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

Public Trust does not charge or accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

Public Trust offers investment advisory services predominantly to state and local U.S. government entities, non-profit corporations and charitable organizations. Public Trust investment advisory clients generally include state and municipal governmental entities, non-profit corporations including hospitals, schools, colleges and cultural institutions that have raised funds through the issuance of tax exempt debt obligations

### ***Minimum Account Size***

The firm does not maintain any minimums to open and maintain an account, but evaluates all accounts on a case by case basis.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Public Trust's methods of analysis include fundamental and technical analysis.

- **Fundamental analysis** - Involves the evaluation of a security that attempts to measure its intrinsic value by studying related economic, financial and other qualitative and quantitative factors.
- **Technical analysis** - Involves the examination of past market data such as prices and the volume of trading, which may provide an estimate of the future value of a security.

#### *Investment Strategies*

Public Trust has four (4) investment strategies with different investment objectives as outlined below.

**Money Market** - This strategy is offered only to pooled investment accounts. The overall objectives are to preserve capital while providing current income and daily liquidity. Short-term, high quality fixed income securities are utilized due to their minimal credit and volatility risk with the objective of maintaining a constant \$1.00 net asset value. Typically this strategy invests in U.S. Treasury and Agency securities, commercial paper, repurchase agreements and bank deposits.

**Enhanced Cash** - The overall objectives are to preserve capital while providing high current income with a high degree of liquidity and lower excess risk than short term benchmarks. Short-term, high quality fixed income securities are utilized due to their minimal credit and volatility risk. Generally, the weighted average maturity of the investments in this strategy can range from six to eighteen months. Typically this strategy invests in U.S. Treasury and Agency securities, commercial paper, short-term corporate notes and bonds, and municipal bonds.

**Core Assets**- The overall objectives are to provide a steady stream of income with longer-term capital appreciation. High quality fixed income investments are utilized to ensure minimal credit and volatility risk. This strategy involves active management of duration, sector and security selection. Common benchmarks for this strategy can be the Merrill Lynch 1-3 and 1-5 U.S. Treasury & Agency Indexes or as specified in the client's investment policy. Typically this strategy invests in U.S. Treasury and Agency securities as well as medium-term corporate and municipal bonds.

Bond Proceeds - For portfolios where there are liability-driven investment considerations, such as clients whose portfolios are funded with bond proceeds that are utilized to make payments associated with certain projects, we recommend securities specifically matched to meet appropriate draw schedules and we modify the portfolio as the schedule changes or as investment opportunities present themselves.

## **B. Material Risks Involved**

Investing involves risks, including possible loss of principal, which clients would have to bear. The investment decisions made by Public Trust for clients are subject to certain risks, and such decisions may not always be profitable. Public Trust does not guarantee returns or performance against stated benchmarks. Past performance is not a guarantee of future results. The following is a summary of common risks associated with investing in fixed-income securities.

Interest Rate Risk - A bond's price and yield share an inverse relationship. Interest rate risk may change a bond's value due to a change in the absolute level in interest rates, the spread between two rates or a shift in the yield curve. The actual degree of a bond's sensitivity to changes in interest rates depends on various characteristics of the investment such as coupon and maturity.

Credit Risk - The risk that a bond issuer may fail to make payments for which it is obligated. Public Trust focuses on an issuer's financial condition to gauge its ability to make payments of interest and principal in a timely manner. Credit risk is also gauged by quality ratings Organizations such as Moody's and Standard & Poor's.

Liquidity Risk - The degree to which an investment can be sold at or near its fair value. The size of a bond's market, the frequency of trades, ease of valuation and issue size impact liquidity risk.

Market Risk - The risk that the value of securities owned may go up or down sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

Issuer Risk - The risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Default Risk - The risk that a bond issuer (or counterparty) will default, by failing to repay principal and interest in a timely manner.

The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value at maturity. Interest rates for bonds may be fixed at the time of issuance, and payment of principal and interest may be guaranteed by the issuer and, in the case of U.S. Treasury obligations, backed by the full faith and credit of the U.S. Treasury. Since treasury bonds have longer maturities, the market value of Treasury bonds will generally fluctuate more than Treasury bills.

Public Trust generally seeks investments that do not involve significant or unusual risk beyond the scope of the domestic high-grade fixed income universe. Public Trust believes that the common risks involved with investing in fixed income securities as outlined above can be mitigated by prudently diversifying a portfolio's holdings. Public Trust also manages these portfolio holdings in concert with the client's individual investment policy and tolerances.

### **C. Risks of Specific Securities Utilized**

Public Trust generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international bond markets.

- **Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.
- **Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.
- **Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.
- **Short term trading** risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should recognize.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

Neither Public Trust nor any of its employees have been subject to regulatory disciplinary action.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Public Trust nor any of our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Public Trust does not recommend or select other investment advisers for clients in exchange for compensation from those advisers.

Public Trust maintains two affiliated entities; 1) PT Asset Management, LLC, a wholly owned subsidiary under common control, and an SEC registered investment advisor, and 2) PT Advisors, LLC, a limited liability company organized under the laws of Colorado and registered to do business in Colorado as well as additional states. Each of these entities maintains separate client agreements for each respective entity.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Public Trust nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Public Trust nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

All client assets are managed by Public Trust. The firm does not select or utilize third party managers or other advisers.

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

### **A. Code of Ethics**

Public Trust maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the U.S. Securities and Exchange Commission. Public Trust has adopted a written Code of Ethics that covers the following areas: Statement of General Policy, Access Persons, CCO,

Standards of Business Conduct, Custodial Account Reporting, Confidentiality of Client Information, Social Media, Insider Trading, Preclearance, Personal Securities Transactions, Limited Offerings, Gifts & Entertainment, Political Contributions, Covered Associates, Rumor Mongering, Whistleblower Policy, Reporting of Violations, Recordkeeping, Training and Annual Certification. Our Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

Public Trust does not recommend that clients buy or sell any security in which a related person to Public Trust or Public Trust has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

Public Trust does not recommend that clients buy or sell any security in which a related person to Public Trust or Public Trust has a material financial interest.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

On infrequent occasions, our personnel may buy or sell a security for their own accounts, which coincidentally is being purchased or sold for the accounts of our clients. The fixed-income securities Public Trust recommends for purchase and sale are of the type which the Securities and Exchange Commission has expressly recognized as presenting little opportunity for the type of improper trading which compliance with the Code of Ethics reporting requirements is designed to uncover. As noted above, whenever our personnel act in a fiduciary capacity, we will endeavor to consistently put the client's interest ahead of the firm's.

# **Item 12: Brokerage Practices**

## **A. Selection Criteria and Best Execution**

As a fiduciary, Public Trust has an obligation to use its best efforts to seek to obtain the best available price and most favorable execution given the circumstances with respect to all portfolio transactions placed by Public Trust on behalf of our clients. This process is commonly referred to as "best execution". As part of our best execution process Public Trust evaluates broker-dealers on a variety of criteria, including, but not limited to: (i) capital strength and stability, (ii) execution capabilities, (iii) trading expertise in fixed income securities, (iv) inventory of fixed income securities, (v) liquidity, (vi) any transaction costs, and (vii) reliable and accurate communications and settlement capabilities. From the evaluation, Public Trust selects and maintains a list of brokers ("Approved Brokers") that are used for client transaction execution. To help ensure the firm is meeting our best execution obligations, Public Trust performs a periodic (no less than quarterly) review of our trading practices and executions.

## **B. Order Aggregation and Allocation**

From time to time Public Trust may determine, based on a variety of reasons, that the purchase or sale of a particular security is appropriate for multiple client accounts. When this happens, we may also determine that it is appropriate in the interest of efficient and effective execution to attempt to execute the trade orders as one or more block trades (i.e. aggregate the securities to be traded for each such account into one or more trade orders). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, Public Trust has adopted policies and procedures regarding allocating investment opportunities and also executed block trades in order to provide an objective and equitable method of allocation so that all clients are treated fairly. The basic objectives of these policies and procedures are as follows:

- Public Trust will always allocate investment opportunities among clients' accounts in a fair and equitable manner based on each client's overall investment objectives and strategy, and any restrictions placed on the management of the account;
- Public Trust will only aggregate clients' trades when it believes that such aggregations are consistent with its duty to seek best execution for its clients; and
- Public Trust will strive to ensure that no single client participating in the block trade would be favored over any other participating client.

The Custodian, when applicable, will be chosen based on their relatively low transaction fees and their ability to perform their required duties. The Custodian provides for the safekeeping of clients assets. The choice of Custodian will be subject to periodic review by Public Trust.

## **C. Soft Dollar Considerations**

Public Trust prohibits the use of third party soft dollar arrangements and has never entered into a soft dollar arrangement. Therefore, our customers are never charged for any soft dollar research. However, during the course of doing business we may receive research including unsolicited research from broker dealers. This information is often the same material that is made available to all of their clients and publicly available through the internet. This information is further outlined in Section 28(e) of the Securities and Exchange Act of 1934, and although customary and permitted, could possibly be deemed as an implied economic benefit. Accordingly, Public Trust has adopted written policies and procedures regarding trading and brokerage selection. The firm performs periodic reviews of all trading practices to help ensure that transactions are executed in the best interest of each individual client.

## **D. Directed Brokerage**

In certain circumstances, Public Trust may accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. When that happens, the client has usually negotiated terms and arrangements for the account with that broker-dealer, and Public Trust will not seek better execution services or prices from other broker-dealers. In addition, depending on the arrangement, Public Trust may not be able to aggregate a directed brokerage client's transactions with other Public Trust client transactions for the same security and Public Trust. Importantly, Public Trust will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution, and as a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Public Trust may decline a client's request to direct brokerage if, in Public Trust's sole discretion, such directed brokerage arrangements would result in additional operational difficulties and not be in the best interest of the requesting client. Further, from time to time, Public Trust may examine current market information for the benefit of the client in assessing the cost versus benefit of using a directed broker.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least monthly by a member of Portfolio Management. A member of Portfolio Management is instructed to review clients' accounts with regards to their investment policies, risk tolerance levels and allocations.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Custodians have been instructed to provide each client with a monthly statement and/or online access to view their statements. These statements detail the assets held and asset values of the client's accounts. Monthly statements and / or online access are provided to all separately managed accounts. These reports and online access disclose such items as portfolio returns, holdings, transactions and issuer concentrations. Monthly statements are provided to the LGIP participants denoting their balances, transactions and income earned for the period. LGIP custodian statements are provided to the Boards or at a minimum a contact of the LGIP on a quarterly basis.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Public Trust does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Public Trust clients.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

Currently, Public Trust has no Solicitor agreements in place, however should Public Trust enter into agreement(s) with individuals and / or organizations, some of whom may be affiliated or unaffiliated with Public Trust, that refer clients to Public Trust; all such agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a client is introduced to Public Trust by a solicitor, Public Trust will pay that solicitor a fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon Public Trust's engagement of new clients and the retention of those clients and is calculated using a varying percentage of the fees paid to Public Trust by such clients. Any such fee shall be paid solely from Public Trust's investment management fee, and shall not result in any additional charge to the client.

Each prospective client who is referred to Public Trust under such an arrangement will receive a copy of Public Trust's firm brochure and a separate written disclosure document disclosing the nature of the relationship between the third party solicitor and Public Trust and the amount of compensation that will be paid by Public Trust to the solicitor.

## **Item 15: Custody**

Separately managed account clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to any statements and account reports provided by Public Trust. Our statements and reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investors in Local Government Investment Pool accounts receive, at a minimum, audited financial statements within 120 days of pooled accounts fiscal year end.

## **Item 16: Investment Discretion**

For accounts where Public Trust is granted discretionary authority in writing, Public Trust will normally determine (without first obtaining client's permission for each transaction): 1) the type of securities to be bought and sold, 2) the dollar amounts of the securities to be bought and sold, 3) the broker-dealers through which transactions will be executed, 4) whether a client's

transaction should be combined with those of other Clients and traded as a "block", and 5) the commission rates and/or transactions costs paid to effect the transactions.

For non-discretionary accounts, Public Trust will, for securities purchase or portfolio recommendations, provide suggestions to the client and if agreed upon for investment, will implement the transactions.

## **Item 17: Voting Client Securities (Proxy Voting)**

Public Trust will not ask for, nor accept voting authority for client securities. Further, the types of securities purchased for clients' accounts are non-equity securities, which typically do not have voting rights.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Public Trust does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Public Trust nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Public Trust has not been the subject of a bankruptcy petition in the last ten years.