



ProManage, LLC  
130 E. Randolph St.  
Suite 2825  
Chicago, IL 60601  
(312) 456-0665  
[www.promanageplan.com](http://www.promanageplan.com)

**Form ADV Part 2A Brochure for All Services**

9/30/2021

This brochure provides information about the qualifications and business practices of ProManage, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 456-0665. 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.

You should review this brochure and any subsequent revisions for information regarding ProManage, LLC and its advisory services before becoming a client. Registration with the SEC does not imply a certain level of skill or training.

Additional information about ProManage, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site by a unique identifying number, known as a CRD number. ProManage's CRD number is 133357.

## Item 2

### Material Changes

Since our March 29, 2021 annual update to our ADV Part 2A Brochure for All Services the only material changes have been:

- Item 8 has been updated to include the addition of Collective Investment Trusts (CIT) as one of the investments that we will use with the ProManage *PROgram*<sup>™</sup>
- Items 5 & 10 have been updated to reflect a recordkeeper who charges users a fee in addition to the *PROgram* fee.

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## Item 4

### Advisory Business

#### ProManage and Principal Ownership

ProManage has been providing managed account or asset allocation services to retirement plans since 1999, first as Strategic Financial Concepts and then after a merger with ProManage Inc. in 2004, as ProManage, LLC, a Delaware limited liability company.

Anthony Sabos is the principal owner of ProManage, LLC.

#### Types of Advisory Services Offered

##### ProManage *PROgram*<sup>™</sup>

ProManage provides investment advisory services to defined contribution (401(k), 403(b) and 457) plans and their sponsors. With the ProManage *PROgram*, our asset allocation service, plan sponsors can provide their participants with an investment strategy based on each person's particular circumstances and the investments offered by the plan. Through an analysis of specific plan and demographic data provided by the plan sponsor, the plan's recordkeeper, and other plan service providers, goals and objectives are set. Using a participant's particular circumstances (age, plan account balance, length of investment time horizon, and where available salary, projected Social Security benefits, and, if applicable, projected defined benefits and *Vision* implementation by participant), ProManage develops an investment strategy for the participant. ProManage then creates and manages a portfolio based on that strategy. ProManage will choose which investment funds to use among those provided by the plan and in what proportions, based on a person's changing circumstances. ProManage will rebalance their accounts periodically. This service is customized at the participant level only to the extent that it analyzes the above referenced data.

ProManage creates a portfolio which may consist of mutual funds, institutionally managed commingled funds and/or separate accounts, collective investment trusts (CIT) also known as collective investment funds (CIF), and any other investments which may be offered in a defined contribution plan. ProManage assesses these products' investment manager's capabilities, the investment objective of the product, and the products' fit within the client's investment program. This analysis includes both qualitative and quantitative evaluation techniques. Qualitative factors that may be examined include, but are not limited to, investment philosophy and process, investment style consistency, investment team, firm, and portfolio holding characteristics. On a quantitative basis, factors ProManage evaluates include but are not limited to fees/expenses, assets under management, performance, risk, downside protection, risk return tradeoffs, and correlations relative to benchmarks and other asset classes. The evaluation process will include meetings with investment professionals when available and appropriate.

## Plan *Insight* Reporting

ProManage offers *Insight* reporting which allows a plan sponsor to understand their programs, potential design changes and see the progress their participants are making towards meeting their financial needs in retirement. The report illustrates the diversification, risk, and performance of assets in participant portfolios, their combined savings rates and other statistics to give each sponsor a better picture of its plan. A periodic report for the plan sponsor analyzes the overall health of their program and the impact of the managed account service. Unlike reports that benchmark participant statistics against a plan universe, *Insight* assesses the percentages of participants that are on track for retirement and includes a demographic analysis. *Insight* reporting can encompass customized reports designed to mine data from their plan. Retirement Readiness Statements can provide additional insight at the participant level.

## *Vision* Online Advice & Guidance

ProManage also offers, through plan sponsor clients and plan providers, its online *Vision* advice and guidance service for use by their participants. Each plan sponsor client selects the parameters/assumptions and sets the defaults. *Vision* focuses on saving and investing for and through retirement, while balancing the four retirement levers – Retirement Date, Retirement Income, Savings Rate and Investment Risk. Participants can fine-tune their retirement strategies online by adjusting their assumptions (e.g., life expectancy, wage increase rate, projected Social Security benefit), objectives and preferences and by inputting data such as certain other retirement assets and benefits. Changes to the algorithm or underlying assumptions can materially affect participants' portfolios.

If the ProManage *PROgram* is offered by the plan sponsor, then the investment advice can be a combination of a savings rate change and use of the *PROgram*. Consequently, with *Vision* a person can choose to enable implementation of the advice generated, manually implement the advice in whole or in part, or ignore the advice.

*Vision* provides this investment management service by utilizing stochastic financial modeling techniques and taking into account the four retirement levers. The stochastic model is a complex Monte Carlo simulation that evaluates numerous combinations of participant objectives and action steps to determine which combinations provide a reasonable probability of achievement. Participants can specify acceptable ranges for Retirement Age, Retirement Income Replacement, Savings Rate, and Investment Risk (low, medium, or high) for the accumulation phase of their retirement planning. They can also indicate how important each of these factors is to them.

In coming months, with the new Decumulation Module *Vision* will also be able to provide advice to *PROgram* participants age 55 and older about investing and distributions during retirement while balancing applicable retirement levers. Plan sponsors can choose to include this module as part of *Vision*.

The advice generated by the algorithms used within *Vision* also can be incorporated into a benefit statement that is delivered either in print form or online to plan participants.

### Employee Benefit Consulting

ProManage can help plan service providers or plan sponsors design, implement, and monitor a wide variety of employee benefit plans, including but not limited to services such as employee benefit statements. The benefit statement may be offered electronically or in print.

#### Retirement Readiness Statements (“RRS”)

ProManage offers Retirement Readiness Statements for defined contribution plan sponsors and service providers who wish to help their participants prepare for retirement. ProManage’s benefit statements serve as a “reality check” on participants’ progress in the plan and can suggest actions to improve retirement readiness.

A statement can show a participant:

- Where they are expected to be based on their current retirement savings and investment choices;
- Where they could be; and
- How they may get there by saving and investing in the plan during the accumulation phase.

ProManage’s RRS methodology incorporates stochastic financial modeling techniques using numerous Monte Carlo financial simulations to determine with statistical significance which potential outcomes provide a reasonable probability of achievement.

RRS’ methodology can be somewhat similar to our *Vision* online advice service, which stochastically models for a retirement event. *Vision* focuses on saving and investing for the specific purpose of retiring with a retirement income stream, while balancing the four retirement levers – Retirement Age, Retirement Income Replacement, Savings Rate, and Investment Risk (low, medium or high). RRS, while focusing on the specific purpose of retiring, may vary two of those retirement levers, Savings Rate and Investment Risk, in order to generate a given level of estimated Retirement Income Replacement beginning at a given Retirement Age. ProManage works with our clients to tailor the RRS’ approach to meet their needs.

ProManage also provides several advisory services separately or in combination. While the primary clients for these selection and monitoring services will be defined contribution and defined benefit plans, ProManage may also offer these services, where appropriate, to institutional investors such as foundations and endowments. Selection and monitoring services are comprised of five (5) distinct services: Investment Policy Statement

Preparation, Money Manager Selection and Monitoring, Investment Performance Monitoring, Employee Communications and Recordkeeper Search and Evaluation. A client may choose to use any or all of the five services described below:

#### Investment Policy Statement Preparation (“IPS”)

ProManage will meet with the plan sponsor or institutional investor (in person or over the telephone) to determine the client’s investment needs and goals. ProManage may then prepare a written IPS outlining the objectives of the plan and the roles and responsibilities of various parties to achieve the stated objectives. The IPS will also outline the criteria for monitoring and evaluating the investment performance of the plan and its managers.

#### Money Manager Selection and Monitoring

ProManage will perform investment manager searches to assist the plan sponsor client in their selection of qualified independent investment advisers. Based on a client’s individual circumstances and needs, ProManage will determine which independent adviser’s portfolio management is appropriate for that client. The investments ProManage recommends will be based on an assessment of the investment manager’s capabilities, the investment objective of the product, and the product’s fit within the client’s investment program. This analysis will include both qualitative and quantitative evaluations techniques. The evaluation process will include meetings with investment professionals when available and appropriate, and an assessment of some or all of the following criteria: investment style consistency, investment philosophy and process, performance, risk, risk return tradeoffs, correlation to benchmarks and other asset classes, diversification, fees, assets under management, professional investment resources and expertise, retention of investment professionals and adequacy of back office and trading resources. The number/types of investment products recommended will be guided by the client’s needs and objectives.

#### Investment Performance Monitoring

Client investments will be monitored continuously based on the procedures and timing intervals delineated in their Investment Policy Statement. Although ProManage will not be involved in any way in the purchase or sale of these investments, ProManage may make recommendations to the client as market factors and the client’s needs dictate.

#### Employee Communications

For defined contribution plans where participants exercise control over assets/investment decisions in their own accounts (“self-directed plans”), ProManage will assist in targeting educational support and consult with educational providers to communicate such needs.

#### Recordkeeper Search and Evaluation

ProManage offers clients assistance in their search for a suitable recordkeeper. ProManage can assist plan sponsors in their search and evaluation of these

providers to meet their varied needs, including ProManage's *PROgram* and other services. By agreement, recordkeepers have integrated the ProManage *PROgram* in their platforms which permits the ProManage *PROgram* to be offered with a flat percentage fee to new advisory clients. (See Item 10.) We will disclose potential conflicts of interest in advance of the client agreeing to use our services for the search.

### BeFine™ Financial Wellness Application

ProManage has developed a Financial Wellness application for mobile devices and a related website. Initially, the BeFine Financial Wellness App will be available to clients who offer our *PROgram* and *Vision* services for participants in the client's employee benefit plans. The application takes a behavioral finance approach to help users move toward financial wellness. Featuring financial wellness metrics, users address four areas of financial security: emergency funds, debt management, protection (insurance coverage), and retirement readiness. A budget feature is also available. Those users in the client's retirement savings plan also have access to *Vision* to help them prepare for retirement. While those BeFine users may access *Vision*, it is not anticipated that any investment or securities advice will be provided by or through the BeFine Financial Wellness App. Outside resources/links, such as client resources, government and research institution websites, are available for additional information. BeFine Financial Wellness App users can manually enter their financial data or connect/link their financial accounts to automatically download data to the application.

### Investment Consulting

ProManage accepts consulting assignments to help plan sponsors select and monitor investment funds that will be made available to participants for the investment of their retirement assets. ProManage also will consider accepting responsibility for selecting and monitoring investment funds on behalf of the plan sponsor.

### Tailoring of Services

ProManage crafts solutions to meet the needs of plan sponsors and plan service providers and their concern for their participants. ProManage's advisory agreement is with the plan, the plan sponsor or the plan service provider, not the individual participant. Clients can impose restrictions on our investing in certain securities or types of securities. For example, we have worked with clients who restrict investment in foreign securities. Others have limited our universe of investments based on social investing objectives. In general, ProManage will use the investment funds available as part of the core offerings within a plan, as chosen by the plan sponsor in consultation and negotiation with their administrator, to create diversified portfolios for each of our clients' participants.

Within the *Vision* service we offer significant choices to plan service providers, plan sponsors and individual participants that allow us to tailor our services to their needs.

ProManage's customization for clients extends beyond selecting predefined parameters, such as with the Retirement Readiness Statements.

In designing the Retirement Readiness Statements, we also offer choices to clients. These include retirement readiness targets, objective retirement goals, system set-up assumptions, and the universe of participants, plans and investments used. As a result, the definition of Retirement Readiness varies by client. Benefit statements, of which RRS is only one type, can be as simple as a compilation of multiple plans' data highlighting savings opportunities. They can be as sophisticated as a stochastically modelled retirement preparedness report that makes both savings and investment suggestions. In general, ProManage will use the investment funds or asset classes available as part of the core offerings for the plan(s), as chosen by the plan sponsor or plan service provider, to assure diversified portfolios for our client's participants. Clients may impose restrictions on the universe of investments used.

The RRS parameters may encompass the retirement levers of retirement income replacement target, retirement age range, suggested savings rate and level of investment risk as well as assumptions addressing salary growth, inflation, capital market, life expectancy. Clients may define the universe of plans and participants. Data used may include participant account balance, employer-match or non-match, defined benefit plan, estimated social security benefits, among others.

For example, a client could define a successful Retirement Readiness scenario as having at least a 75% probability of being able to retire between ages 62 and 67, with at least 80% of final pay for initial retirement income (increased annually by an inflation factor (COLA)), for a stream of payments that lasts through the participant's expected life.

#### Wrap Fee Programs

ProManage does not participate in any wrap fee programs.

#### Assets Under Management

Total of clients' assets under management as of December 31, 2020:

Discretionary:	\$4,484,843,719
Non-Discretionary:	\$0

### **Item 5**

## **Fees and Compensation**

ProManage *PROgram*

ProManage charges plan sponsor clients a fee for its asset allocation services as a percentage of assets under management. ProManage's annual fee for this service generally ranges from 0.05% to 0.65% of the assets under management. While the exact fee is negotiable, ProManage typically charges plans and plan sponsors:

On the first \$100,000,000 of assets – 0.35%  
On assets exceeding \$100,000,000 – 0.10%

Additional tiers or a flat percentage rate can also be used.

ProManage charges its fee to the plan on a monthly basis. ProManage is not involved in the application of its fee to participants in the plan. Typically, the plan's recordkeepers will allocate the fee to plan participants. One client calculates the monthly fee for each *PROgram* participant after which its recordkeeper assesses those fees quarterly. Essentially, the plan's recordkeepers assess the fee to participants in the plan, and the trust will pay the aggregate fee at the beginning of each calendar month, or as soon thereafter as administratively feasible for the recordkeepers. In general, for clients with assets in excess of the initial fee breakpoint (that is, more than \$100,000,000 of assets under management with ProManage), each month ProManage will provide to the client the blended rate by which the recordkeepers are to calculate and assess ProManage's fee. This blended rate is based on 1/12 of the annual contract rate and the market value of the client's assets under management as of the last day of the month preceding the month in which the fees are assessed and paid by the recordkeepers. The practices for calculating and paying fees, however, can vary by client and by recordkeeper. ProManage does not control the timing or method used by others (e.g., plan's recordkeepers) to calculate, assess to participants or pay ProManage's fees. While the total fee paid by the plan is governed by our contract with our client, the particular practices of each plan's recordkeepers will affect the actual fee experienced by individual participants in a plan.

At the plan's discretion, the plan or the plan sponsor will pay ProManage's fee. If a client elects to be billed in advance for the *PROgram*, the client will pay ProManage's fee at the beginning of each calendar quarter. If the client or ProManage terminate the advisory contract with written notice as specified in the contract, any unearned portion of the previously advanced quarterly fee will be returned. Plan sponsors can choose to pass all or a portion of our fee through to their participants. This may be done on a pro rata basis on account size and limited to participants in the ProManage *PROgram*.

ProManage may charge implementation and maintenance fees to recordkeepers. For example, a recordkeeper that chose to implement the ProManage *PROgram* and make it available to their client base might be charged a fee to set up the service and if they chose to integrate it into their recordkeeping system, they might be charged a maintenance fee for the ongoing modifications of our *PROgram*.

Where specialized services of another registered investment adviser (e.g., portfolio consulting) are used in designing a plan sponsor client's portfolio, ProManage will incorporate

their fee in the total fee charged to the plan sponsor or plan. Disclosure of these fees will be provided to clients.

### *Insight & Vision*

ProManage charges a fixed fee of \$10 - \$25 annually for *Vision* for each eligible employee (employees are considered eligible if they can use the online services whether they choose to use them or not). This fee assumes the services will be configured using existing parameters. If ProManage customizes *Vision* for a client, the fee may vary depending on the nature and complexity of the configuration. Configuration factors affecting the fee include size of the plan (both assets under management and number of participants), recordkeeper used, whether a real-time link to the recordkeeper is used, whether enrollment into the *PROgram* is an automatic default or a positive election, and whether the Decumulation Module is included in the design. This fee is negotiable and may be waived based on plan sponsor's participation in the *PROgram* as an automatic feature, assets in the plan, and plan design.

Basic management reports, such as Health Checks, are available at no extra charge to existing clients. Customized *Insight* reporting for *Vision* clients will be available for a fee agreed upon in advance based upon the scope of the services provided and degree of customization. The fee range is comparable to that used for Consulting Services.

### *Benefit Statements/Retirement Readiness Statements*

ProManage charges clients a fee for its benefit statements. Fees may vary based on factors such as: statement and project complexity involving design, technology, timeframe, number of plans and asset classes, vendors used, delivery methods, and data types. At the plan's discretion, the plan or the plan sponsor will pay ProManage's fee. Plan sponsors and service providers can choose to pass all or a portion of our fee through to their participants or clients.

ProManage charges fees for Retirement Readiness Statement projects as a fixed fee, typically ranging from \$1,000 - \$150,000 or more.

ProManage typically bills clients on a monthly or quarterly basis in arrears as the project progresses, or in two installments. If in two installments, approximately one-half of the fees will be due within six months prior to the date Retirement Readiness Statements are provided to the client each year, with the balance due upon delivery of the Statements. Another option could be to bill fully in arrears at the end of the project.

ProManage fees as specified in the contract include outside vendors' expenses such as fulfillment, postage, and travel. However, this is negotiable.

### *BeFine™ Financial Wellness Application*

*While this service is still in development, and the fee structure has not yet been decided, it is likely there will be a fee to design/customize and implement the app and a maintenance fee thereafter.*

The cost to design/customize and implement the app will be based on the work agreed to in advance with the client. During the implementation of the app to the degree the project adds work that is out of scope but agreed to in advance by the client, there will be additional fees. The cost will vary based on factors such as the design, complexity, availability of outside resources, time constraints, roll-out, etc. This fee will be billed monthly in arrears as the design/customization and implementation progresses. We anticipate a fee range for design/customization and implementation of \$100,000 to \$500,000. This fee will be negotiable.

Once operational, a license/maintenance fee will be paid quarterly by the client. The annual license/maintenance fee will generally range from \$120,000 to \$250,000 but is negotiable, and may reflect the number of anticipated or actual users of the app. If a client elects to be billed in advance quarterly for the license/maintenance fee, the client will pay ProManage's fee at the beginning of each calendar quarter. If the client or ProManage terminates the contract with written notice as specified in the contract, any unearned portion of the previously advanced quarterly fee will be returned.

While no user fees are currently anticipated for the download or use of the app itself by the client's users, if a retirement plan participant is in the *PROgram* or chooses to enroll in the *PROgram* while using *Vision*, which will be accessible from the app for eligible users, then *PROgram* fees, as described in this brochure, will apply.

### *Consulting Services*

ProManage accepts consulting assignments to help plan sponsors select and monitor investment funds that will be made available to participants for the investment of their retirement assets.

ProManage charges fees for these consulting services in one of two ways:

1. As a fixed fee, ranging from \$1,000 - \$400,000 or more, depending on the nature and complexity of each client's circumstances. The exact fee will be mutually agreed upon with the client at the signing of the agreement and will be due and payable quarterly in advance or in arrears.
2. On an hourly basis, ranging from \$75 - \$1,200 per hour, depending on the nature and complexity of each client's circumstances. An estimate for total hours will be determined at the start of the advisory relationship. Fees will either be billed monthly based on total hours logged or one-half of the estimated fee (not to exceed

six months) will be due upon signing the advisory agreement, with the balance (based on actual hours) due upon completion of the work.

ProManage will ensure that any retainer is earned within six months of receipt.

### ***General Information on Fees***

Negotiability of Fees: Fees are negotiable.

Termination of Advisory Relationship: In general, either party to an investment advisory agreement may cancel the agreement at any time for any reason upon giving the other party 30-60 days written notice, as specified in each particular client agreement. Upon termination of any account, ProManage will promptly refund any prepaid fees that were unearned after subtracting any minimum guarantees that may have been provided for in the contract with the client. Also, upon termination of any account, the client will be responsible for any earned unpaid fees and expenses incurred. On the other hand, if fees are assessed in arrears monthly, participants who terminate participation prior to assessment for that month will not have their account balances counted in the monthly fee assessment. Termination of an investment advisory relationship is separate from software license or non-investment advisory agreements the client has entered into, which have their own terms and conditions.

Performance-Based Fees: See later section specifically addressing performance-based fees.

Fund Fees and Expenses: All fees that clients pay for ProManage's services are separate and distinct from the fees and expenses paid by plan participants for investment funds, transactions and recordkeeping. A fund's fees will generally include a management fee, other fund expenses, and possibly a redemption fee and/or distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. ProManage will recommend both no-load and load funds depending on availability and appropriateness of the funds. Loads, if any, are fully disclosed in each mutual fund's prospectus. For more information about mutual funds' fees and expenses, see each fund's prospectus. For non-mutual funds, consult each investment/fund's fact sheet provided by the record-keeper.

*PROgram* participation and fees: It is not required that all participants in a client's plan use the ProManage *PROgram*. If plan participants choose to make their own investment decisions, they will not have the benefit of ProManage choosing which investment funds to use and in what proportions, based on their changing circumstances. They will also not have the benefit of ProManage automatically rebalancing their accounts nor ProManage's diligence in reviewing and understanding the funds in the plan. A client and its participants should review both the fees charged by the funds, recordkeeper and the fees charged by ProManage for its services to fully understand and evaluate the total fees to be paid.

One recordkeeper charges an additional fee to *PROgram* participants. Other sources may be able to provide comparable services for lower fees.

Use of *Vision* may result in a plan participant choosing to implement the advice by enrolling in the *PROgram*; if so, *PROgram* fees will apply.

Other Compensation: Neither ProManage, nor any of its supervised persons, accepts compensation from mutual funds or from any other investment products.

ProManage also charges an hourly fee or fixed fees for other services such as employee benefit consulting, which plan sponsors and service providers may or may not charge to plans and may or may not pass through to their participants. However, expenses related to settlor functions cannot be charged to the plan.

## **Item 6**

### **Performance-Based Fees**

ProManage does not charge performance-based fees. ProManage's fees are not based on a share of the capital gains or capital appreciation of funds or any portion of the funds of an advisory client.

## **Item 7**

### **Types of Clients**

ProManage offers services to entities including but not limited to:

- defined contribution and defined benefit plans;
- trusts, estates or charitable organizations;
- corporations or business entities;
- union plans including Taft-Hartley; and
- government entities.

ProManage does not require a minimum account size.

## Item 8

# Methods of Analysis, Investment Strategies & Risk of Loss

### Methods of Analysis & Investment Strategies

ProManage's methods of analysis include both quantitative and qualitative factors. ProManage's main sources of information for its analysis include financial data research and analysis, manager correspondence, industry news and events, and research materials prepared by others.

ProManage may offer investment advice on any investments held by a client at the start of the advisory relationship, where ProManage is engaged as the client's investment consultant. Digital assets are not an investment option. ProManage's recommendations for new investments *typically* will be limited to the following:

1. Equity Securities: exchange-listed securities, securities traded over-the-counter, foreign issuers;
2. Investment Company Securities: mutual fund shares;
3. Collective Investment Trust shares;
4. Stable Value Funds; and
5. United States Governmental Securities.

ProManage will examine a wide range of qualitative factors as they pertain to each respective investment option. Factors that may be examined include but are not limited to the investment firm and team, manager expertise, depth and quality of research, investment philosophy and process, investment style consistency, and portfolio holding/construction characteristics.

We will also evaluate all investment opportunities on a quantitative basis by examining performance, correlations relative to benchmarks and other asset classes, along with other statistics such as fees/expenses, assets under management, risk, portfolio turnover, downside protection, capture ratio, information ratio, risk return tradeoffs, etc.

The Chief Investment Officer will examine the quantitative and qualitative information and make the final determination about which funds/investments are chosen from the plan investment line-up for our allocations. ProManage aims to invest with a long-term perspective where securities are held at least a year.

Then ProManage will determine the balance between equity and fixed income at the participant level by applying an investment time horizon-based formula.

### Material Risks of Each Significant Investment Strategy

*IMPORTANT: Investing in securities involves risk of loss that clients and their participants should be prepared to bear. Past performance with respect to an investment or investment adviser is not an indication of future performance. Diversification does not ensure a profit or protect against a loss. ProManage makes no guaranty of profit nor offers any protection against loss on any investments recommended.*

The ProManage investment methodology is to diversify each participant's investments among the available investment choices offered in their plan to give them each exposure to the global equity market. In some cases, the available investment choices may be limited to those funds most uniformly available across the provider's entire book of business rather than each plan sponsor's fund universe. This is then balanced against fixed income investments offered in the plan to set an appropriate balance of risk and reward given the participant's situation. The methodology also calls for periodic rebalancing to institutionalize the practice of buying low and selling high.

The primary risk of this approach is that a well-diversified equity portfolio can have significant short-term drops in value at a time when the participant needs to take their benefits out of the plan. As was the case in 2008, some well-diversified equity portfolios dropped as much as 50% in value. Such a drop is unusual, but possible and manageable so long as there is enough time for the market cycle to recover. ProManage helps manage this risk by offsetting the equity exposure with fixed income investments (considering one's known dedicated retirement investments including Social Security and any defined benefit plan participation) at an increasing rate as one grows older and closer to retirement. However, we also take into account one's savings, expected Social Security benefits, and any defined benefit pension plan sponsored by their plan sponsor in order to arrive at the balance we feel is most appropriate under the circumstances. Participants can also help manage the downside risk by considering working longer or delaying the distribution from the plan. This has the effect of giving the market a chance to correct itself.

ProManage's approach is not right for everyone; we are focused on retirement investing. Participants who are saving for other goals or plan to take a large withdrawal in the next ten years should consider other investment approaches. We do not take into account in our ProManage *PROgram* and Retirement Readiness Statements, a person's psychological risk tolerance, Social Security opt-outs, or outside assets (such as a spouse's retirement savings). However, our online *Vision* service gives individual participants an opportunity to input these items and more. *Vision* assumes those outside assets input by the participant are invested similar to the *PROgram* assets. In addition, with Retirement Readiness Statements, it may not be possible to produce statements for all participants in all plans.

### Risk Associated with Particular Types of Securities

ProManage's clients' portfolios primarily consist of open-ended mutual funds, commingled (pooled) funds, and stable value funds or GICs. Risk and volatility can vary dramatically from an emerging markets equity fund bearing high risk of volatility to the low risk

fixed rate of return of GICs. Each kind of investment carries its own kind of risk, from stability of the investment firm to turnover among portfolio managers to market volatility that could result in loss of capital.

Collective Investment Trusts (CIT) are tax-exempt, pooled investment vehicles which may include mutual funds, for example, among the component investments. However, they are not mutual funds and are not subject to the same registration requirements and restrictions as mutual funds. By pooling assets, CITs may take advantage of economies of scale, offering lower overall expenses. These investment vehicles are typically only available to qualified retirement plans such as a 401(k). CITs are subject to oversight by the Office of the Comptroller of the Currency or by a state banking authority, Department of Labor and Internal Revenue Service. Managers of such collective funds have to disclose fund performance and the components of a portfolio at least once a year.

By using a number of techniques ProManage may manage the unsystematic risk associated with investment in the plan sponsor's *own* stock in a 401(k) plan. ProManage may carve out company stock from its allocations, while considering all or a portion of company stock holdings by a participant in determining how to allocate their non-company stock investments. Another technique ProManage may use is to limit allocations to stock to no more than a certain percentage (e.g., 10% or less). Given periodic rebalancing this should limit the exposure over time. Alternatively, in generating Retirement Readiness Statements ProManage might choose to produce statements for only those with less than a certain percentage (e.g., 3%) of their account invested in company stock.

ProManage may use derivatives to permit company stock to stay in the plan, with its associated vote. These derivatives can take on a variety of forms, structures and devices and may require sophisticated timing of trades. ProManage will consider relying on professionals outside of ProManage to add fiduciary protection or complement ProManage's skillset.

If ProManage determines that a portion or all of a client's assets should be referred to another independent investment adviser(s), the client should refer to that investment adviser's disclosure document for further information on the types of investments on which investment advice is offered.

## **Item 9**

### **Disciplinary Information**

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

## Item 10

### Other Financial Industry Activities and Affiliations

#### Agreement with Recordkeepers

By agreement, recordkeepers have integrated the ProManage *PROgram* in their platforms which permits the ProManage *PROgram* to be offered with a flat percentage fee to new advisory clients. Plan sponsors retain ProManage and the recordkeeper separately. One recordkeeper charges *PROgram* participants a fee, which is disclosed by ProManage to clients and participants. See Items 4 & 5 for additional information about this relationship.

#### Private-Labeled Asset Allocation Service and Online Advice Platform

ProManage, LLC offers to other investment advisers a private-labeled asset allocation and online advice platform for use with those investment advisers' retirement plan sponsor clients and prospects. ProManage's client is the investment adviser. The investment adviser is responsible for the:

- marketing of the private-labeled service;
- relationship with their plan sponsor clients;
- all communications and disclosures;
- all discretionary investment decisions related to this service, including but not limited to selecting and monitoring the underlying assumptions and parameters used with the algorithm and other platform services;
- selection, monitoring and review of all investments used with this asset allocation and online advice platform for their retirement plan sponsor clients; and
- provision of all data elements to ProManage necessary to calculate the asset allocations.

ProManage serves in a ministerial capacity administering the platform at our clients' direction. For those administrative services ProManage charges its client, the investment adviser, a fee as a percentage of the assets under management (AUM) with the investment adviser. ProManage's annual fee for this service depends upon the degree to which we customize the service and the functionality delivered and ranges from 20 to 25 basis points of the investment adviser's AUM for their clients using this service.

ProManage may also offer Retirement Readiness Statements as a private-labeled service ("Private-Labeled RRS") to the same investment advisers who use the Private-Labeled Asset Allocation Service and Online Advice Platform. Similarly, those investment advisers would be responsible for all discretionary decisions including but not limited to any parameterization and advice associated with the Private-Labeled RRS. Fees may vary based on factors such as: statement and project complexity involving design, technology,

timeframe, number of plans and asset classes, vendors used, delivery methods, and data types. ProManage may charge for these as a fixed fee, typically ranging from \$1,000 - \$150,000 or more.

### Other

Neither ProManage nor its management persons serve as a broker-dealer or a registered representative of any broker-dealer. Neither ProManage nor its management persons serve as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities. It is anticipated that the executives of ProManage, LLC will spend substantially all their time on ProManage activities.

### **Item 11**

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

ProManage's Code of Ethics sets forth the high ethical standards of business conduct, including compliance with applicable federal securities laws, expected of employees. Through its provisions the Code guides employees to avoid actual or apparent conflicts of interest. Among its provisions, ProManage's Code of Ethics requires covered employees to:

- submit initial and annual securities holdings reports;
- submit quarterly securities transactions reports;
- observe restrictions on political contributions;
- obtain prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering;
- avoid/prevent any insider trading;
- observe limits on gifts that can be accepted;
- protect confidential information;
- obtain prior approval before serving on the board of any public company; and
- report violations.

Other provisions provide for maintenance of records and review, oversight, and enforcement of these policies. ProManage provides education on its content to personnel.

ProManage will provide a copy of our Code of Ethics to any client or prospective client upon request. To request a copy of the Code of Ethics, please write the Chief Compliance Officer, Barbara J. Auerbach, at the address on the cover of this brochure.

ProManage or a related person does not participate in, as a principal, buying securities from or selling securities to ProManage's clients. Neither ProManage nor a related person

acts as an investment adviser to an investment company that ProManage may recommend to clients.

ProManage or a related person may invest in the same securities that we recommend to clients. ProManage's Chief Compliance Officer reviews ProManage employees' and, if applicable, related persons' quarterly brokerage statements to see if there are potential conflicts of interest or other breaches of the Code of Ethics. Should one arise the CCO will assess the situation, discuss it with everyone involved including the ProManage employee as well as our client or prospect, and then take appropriate steps to rectify the situation, including dismissing the offending party and making full restitution, if appropriate. ProManage or a related person may buy or sell for itself securities that it also recommends to clients.

## **Item 12**

### **Brokerage Practices**

ProManage does not select or recommend broker-dealers for client transactions and does not receive any soft dollar benefits from any third party in connection with client securities transactions. ProManage does not participate in directed brokerage.

For the purchase or sale of investments on behalf of plan participants, the appropriate plan officer, normally the plan trustee or administrator, places the trades with the broker-dealer of their choice. Clients whose assets are invested with one or more independent investment advisers should refer to the disclosure documents of the appropriate adviser for further information on brokerage practices.

ProManage does not recommend, request, or require clients use any particular record keeper or custodian. (See also Items 4 and 10)

## **Item 13**

### **Review of Accounts**

ProManage's Chief Investment Officer reviews each client's *PROgram* accounts at least quarterly. Material changes in variables such as the client's circumstances, the market or the political or economic environment may trigger more frequent reviews. ProManage focuses on our plan sponsor clients and their investment choices from a limited universe of investment alternatives.

ProManage's Chief Investment Officer and/or Investment Committee monitor the market and economy throughout the year. If market conditions warrant, the Investment Committee may recommend that *PROgram* accounts be rebalanced outside of the periodic process. Such ad hoc rebalancing of accounts has only occurred three times, after the

significant market corrections in the fall of 2001 and 2008 and spring 2020. With the advice and consent of our clients, ProManage will consider ad hoc rebalancing for other reasons such as the termination of a client's defined benefit plan.

ProManage provides written reports to plan sponsor clients using the ProManage *PROgram* at least annually with:

- a review of plan funds used to construct asset allocations,
- a plan level picture of ProManage asset allocations by fund, and
- an analysis of participation in our *PROgram*.

We will review defined benefit consulting accounts as contracted for at the inception of the advisory relationship.

*Vision* is ProManage's online advice service, separate and apart from the benefit statement service, provided to the plan sponsor client for the benefit of their participants and eligible employees. *Vision* participants can review their online information as frequently as they choose. It is the responsibility of the client's participants to review and update their information on *Vision* to adjust for the investments they own, outside of their employer's retirement plan, and when significant changes occur in their personal circumstances. *Vision* users who choose to automatically implement the *Vision* advice to their ProManage *PROgram* allocation must review and refresh their inputs and selections on *Vision* at least once per year, else ProManage will revert them to an allocation based only on standard *PROgram* data. ProManage may from time to time notify participants concerning changes in the value of their investment or the chances of reaching their goals. Those individuals who wish other factors or circumstances to be considered should seek the advice of a personal financial adviser.

If ProManage were to use a channel of distribution, for those clients ProManage would either provide the information described above directly to the plan sponsor client or ProManage would provide the following information to the channel distributor for sharing with the plan sponsor client:

- a comparison of assets in the ProManage *PROgram* versus other assets,
- the number of ProManage participants versus non-participants, and
- a review of plan funds used to construct ProManage allocations for those clients.

ProManage's Retirement Readiness Statement is a reporting service reflecting data at one point in time. Ongoing monitoring or review of the investment funds or individual accounts with a view toward implementing immediate action during the period between statements is *not* part of this service, even if ProManage may provide these statements in consecutive years. Clients' participants should refer to the account statements provided by their independent custodian for account information.

## **Item 14**

### **Client Referrals and Other Compensation**

ProManage does not accept any payment or other economic benefit from a non-client for providing investment advice or other advisory services to our clients.

ProManage compensates certain employees based on new clients obtained. This referral fee can be in the form of a commission or can take the form of non-cash compensation such as ProManage ownership / incentive units. In cases where ProManage pays such employee a commission for a new client referral, such commission is a portion of ProManage's investment advisory fee and does not increase the total fee paid by the client for ProManage's services. This referral program creates a conflict of interest in which employees have a financial incentive to recommend clients to ProManage. We mitigate this conflict of interest with disclosure to clients and prospects.

ProManage does not directly or indirectly compensate a person, who is not one of ProManage's supervised persons, for client referrals. For example, ProManage will not pay a fee to someone who is not an employee for successfully referring a new client to us. ProManage is aware of the special considerations pursuant to the Investment Advisers Act of 1940. As such, if ProManage changes that position the firm shall endeavor to ensure that all appropriate disclosures will be made, all written instruments will be maintained by ProManage, and all applicable Federal and/or state laws will be observed.

ProManage may pay third parties for providing bundled services including but not limited to marketing, communications, coordination and oversight of recordkeepers, training, education and fee collection/remittance. Disclosure of this will be provided to our plan sponsor clients and their participants.

## **Item 15**

### **Custody**

ProManage does not have custody of client funds or securities.

Clients are strongly encouraged to ensure that they receive account statements at least quarterly and confirmation of transactions from their custodian or recordkeeper.

While benefit statements such as Retirement Readiness Statements use data from various service providers such as the employer and recordkeepers, they are *not* a replacement for or comparable to the custodian or recordkeeper's account statements.

ProManage relies on a significant amount of data from other entities and cannot guarantee that data is free from errors.

## **Item 16**

### **Investment Discretion**

ProManage accepts, only with written direction, discretionary authority to manage securities accounts on behalf of clients. For discretionary clients, ProManage requests that clients provide ProManage with written authority to determine which securities and the amounts of securities that are bought and sold. Clients will include any limitations on this discretionary authority in this written statement. Clients may only change/amend these limitations, when necessary, in writing.

ProManage does not have authority to determine the broker or dealer to be used or the commission rates paid. See Brokerage Practices.

Only with written direction may advisory clients grant ProManage discretionary authority to add and replace investment funds in the plan line-up.

ProManage does not accept discretionary authority to add or replace any independent investment advisers or consultants managing the advisory client's account, including the ability to select the broker-dealer to be used for advisory account trades.

ProManage does not accept discretionary authority to manage any securities on behalf of clients or their participants as part of its responsibilities for ProManage's Retirement Readiness Statements.

NOTE: ProManage does not accept or exercise investment or advisory discretion with its Private-Labeled Asset Allocation and Online Advice Platform or the Private-Labeled RRS (Item 10).

## **Item 17**

### **Voting Client Securities**

ProManage does *not* vote proxies on behalf of clients. ProManage's advisory agreements specify that ProManage will not vote proxies. ProManage *strongly* advises clients to include this information in their plan document. Clients are responsible for voting their own proxies for their securities. Clients should consult with their custodian or transfer agent for more information about voting client securities.

**Item 18**

**Financial Information**

ProManage does not have any clients for whom it requires or solicits prepayment of more than \$1,200 in fees, six months or more in advance.

ProManage has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients and has not been the subject of a bankruptcy proceeding.