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**Form ADV Part 2A  
Firm Brochure**

**Fiduciary Consulting Practice  
Institutional Services**

MARCH 31, 2023

This Brochure provides information about the qualifications and business practices of Newport Group Consulting, LLC ("NGC") and Newport Group Securities, Inc. ("NGS"), (collectively "Newport" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 407-333-2905 and/or [NGcompliance@newportgroup.com](mailto:NGcompliance@newportgroup.com).

The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

NGC and NGS are Registered Investment Advisers. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about NGC and NGS are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Form ADV Part 2A: Firm Brochure – Fiduciary Consulting Practice – Institutional Services

### ITEM 2: MATERIAL CHANGES

The following summary discusses material changes to the Newport Form ADV, Part 2A Fiduciary Consulting Practice Brochure (the “Brochure”), dated April 5, 2022. Consistent with the SEC rules we will provide you with a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is December 31<sup>st</sup>.

*Summary of Material Changes:*

- (i) Item 4 has been updated to reflect Assets Under Management as of December 31, 2022.

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## ITEM 4: ADVISORY BUSINESS

### A. Background

Newport Group Consulting, LLC (“NGC”) and Newport Group Securities (“NGS”)<sup>1</sup>, (collectively “Newport” or the “Firm”) as Registered Investment Advisers (“RIA”) have been in business since April 2006 and July 2001, respectively. Newport provides institutional investment and fiduciary consulting services primarily to retirement plans, their sponsors, and their participants. Many of these plans provide for participant-directed investments.<sup>2</sup>

NGC is a wholly-owned subsidiary of Newport Group, Inc. (“NGI”), an Ascensus Company. NGI is a provider of retirement plan administration and recordkeeping services. NGS is a wholly owned subsidiary of Newport Group Holdings I, Inc. NGC and NGS are wholly owned indirect subsidiaries of Newport Group Holdings, L.P. Newport Holdings GP, LLC serves as the General Partner of Newport Group Holdings, L.P.

Ignite Acquiror, LLC. indirectly controls NGC and NGS, with 100% interest in Newport Group Holdings, L.P. Additional information about NGC’s and NGS’ products, structure and directors is provided on Part 1 of NGC’s and NGS’ respective ADV Part 1 which are available online at <http://www.adviserinfo.sec.gov>.

Newport’s management believes that none of the indirect owners are material to the business of NGC and NGS and, therefore, do not cause a conflict of interest with the services provided to their clients.

NGC and NGS are affiliates of Newport Trust Company, a New Hampshire state chartered trust company, that provides America’s leading corporations and institutions with institutional trustee and independent fiduciary services for retirement plans. Newport Trust Company serves as a qualified custodian to some sponsors of employee retirement plans where NGC or NGS offers advisory services, as described in section B, to the plan sponsor. Please refer to Item 15 for more information.

### B. Advisory Services

In its capacity as an RIA, Newport offers the following types of services to retirement plan sponsors:

1. Investment Consulting Services
2. Discretionary Investment Management Services
3. Fiduciary Governance Advice Services
4. Retirement Plan Consulting Projects
5. Risk-Selective Target Date Portfolios
6. Participant Advice

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<sup>1</sup> NGS is a dually registered investment adviser and broker-dealer. NGS received approval as a member of FINRA on April 15, 1992.

<sup>2</sup> New investment consulting and advisory services are offered through and managed by NGC.

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## 1. Investment Consulting Services

Newport's investment consulting services include direct, ongoing advice to institutional clients regarding the following:

- Comprehensive investment review, including an analysis of the existing menu, investment managers and asset allocation strategies
- Preparation and maintenance of an Investment Policy Statement (“IPS”) that is reviewed (*and updated as needed*) on a regular basis
- Review of investment menu and recommendations regarding diversification by asset class and investment style
- Review, evaluation, and recommendations regarding asset allocation tools and Qualified Default Investment Alternative (“QDIA”) options for defined contribution plans
- Review and recommendation of an asset allocation based on client time horizon and risk tolerance
- Review, evaluation and selection of investment managers using criteria specified in the IPS
- The continued monitoring and reporting on the performance of each investment manager using the same criteria
- Maintenance of a Watchlist and recommendations regarding the removal/replacement of investment managers as warranted
- Provide full written documentation of the recommendation and review process, including comprehensive quarterly reporting, known as the Quarterly Investment Manager Review (“QIMR”)
- Provide advice and guidance on other investment–related issues as needed
- At the direction of plan sponsor, attend group meetings and individual meetings with plan participants to help participants achieve better financial results as it pertains to their retirement accounts.

### Investment Review

Newport prepares an analysis of current investments, including an evaluation of the asset classes and investment styles included in the menu (*identifying potential gaps and overlap*) and the asset allocation strategy and/or tools utilized. Newport then reviews the existing managers, comparing them to an appropriate asset class/style–specific benchmark and peer group.

### Investment Policy Statement

Newport develops an IPS for each client, which is intended to serve as a “road map” to assist in the ongoing management of the plan. The IPS defines the roles and responsibilities of the parties, outlines specific guidelines and restrictions, summarizes the basis for menu construction and asset allocation, and provides for the periodic review of the investments and policies. Furthermore, the IPS defines the specific process and criteria for the evaluation, selection and ongoing monitoring of managers, including the Watchlist and manager replacement criteria.

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### Asset Allocation and Menu Construction

Asset allocation is an important investment decision, as it is the primary determinant of the return and risk characteristics of a portfolio. Newport's proprietary asset allocation framework incorporates forward-looking input assumptions and risk control constraints. For sponsor-directed plans, Newport provides advice regarding asset allocation and rebalancing policies given the specific needs and objectives of the plan, such as goals and return objectives, plan liabilities, time horizon, risk tolerance, cash flow, and underlying participant demographics.

For participant-directed plans, Newport will design an investment menu that will include an array of asset classes, investment styles and risk-return characteristics, so that participants are provided the ability to construct their own diversified portfolios unique to their individual time horizons, return objectives, and tolerance for volatility.

Additionally, Newport believes asset allocation tools are an important component of a participant-directed plan, allowing participants to select among the plan's investment options in a manner that reflects their individual time horizons, return objectives, and tolerance for volatility. Newport will recommend asset allocation tool(s) for retirement plan participants, whether it be risk-based model portfolios made up of the underlying funds in the investment menu, a series of target date funds, and/or a participant advice service, based upon the participant's individual investment objectives and risk tolerance.

For qualified plans, Newport can recommend the default investment as a "QDIA", under the requirements of the Pension Protection Act of 2006. This includes, but is not limited to, a target-retirement-date fund, a professionally managed account or a balanced fund.

### Investment Manager Evaluation and Selection

Newport's investment manager evaluation and selection process incorporates several key quantitative and qualitative criteria.

Newport's quantitative investment process isolates return, risk, risk-adjusted return, and style consistency variables for comparison with applicable benchmarks and peer groups, with an emphasis on the consistency and repeatability of these characteristics, as well as competitive expenses. Managers who satisfy our rigorous quantitative criteria then move through our qualitative assessment. Newport's manager research team examines each manager to verify the quality and consistency of the people, the philosophy, and the investment process. Research analysts strive to identify the specific attributes that differentiate the manager from its peers and then determine the sustainability of the manager's investment approach. Clients should understand that there can be no assurance that past performance will be repeated and that investments in securities involve risks, including the possible loss of the principal amount invested.

### Investment Manager Monitoring and Replacement

Newport continually monitors the managers based on the same quantitative and qualitative criteria. If a particular manager is underperforming based on the criteria, it will be placed on our Watchlist and allowed some period of time to correct the deficiencies. During this period, Newport will consider the manager's performance relative to our expectations for its investment style in the context of the recently prevailing market environment. This may cause Newport to take quicker action when the manager research team would expect the market environment to have been favorable for the

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strategy or to be more patient when the market environment has been an impediment relative to the manager's established style. If the manager fails to improve, Newport will proactively recommend replacement of the manager.

### Periodic Reporting and Review

Newport's detailed QIMR is the cornerstone of our continuous supervision process. A formal report is prepared and delivered to each client quarterly. The report connects the ongoing monitoring process back to the IPS, which documents the prudent process followed and required under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The QIMR also communicates Newport's perspective on the capital markets, our comments on the investment managers and the performance of the overall investment menu/portfolio.

## 2. Discretionary Investment Management Services

In addition, Newport provides certain sponsors of qualified defined contribution and defined benefit plans with discretionary investment management services under a delegation of authority as an "investment manager" from the named fiduciaries of such plans (*as defined in Section 3(38) of ERISA*).

For participant-directed defined contribution plans, Newport provides discretionary investment menu construction and, if desired, development of asset allocation model portfolios based on the specific needs of its clients. Newport monitors the performance of each investment option and the model portfolios and exercises its discretion as investment manager to substitute, add or remove investment options. Newport may also make corresponding changes to the model portfolios as a result of any such substitution, addition or removal of an investment option. Newport monitors and may select, at its discretion, the investment option or asset allocation tool that will serve as the "default" investment option for those participants that do not make an independent investment election.

Newport is not responsible for investment decisions made by plan participants. Newport also is not responsible for investment decisions involving employer securities or for plan assets that have not been designated as subject to Newport's authority as an investment manager.

With respect to plans that are not participant-directed (*e.g., defined benefit plans and certain defined contribution plans such as money purchase and profit sharing plans*) and that utilize Newport's discretionary investment management services, Newport exercises full discretion with respect to delegated assets as to the selection of fund managers and the allocation of plan assets among such managers. Newport is responsible for monitoring the performance of the managers. Generally, Newport does not allow clients to impose restrictions on its investment authority except for investment discretionary clients; (*see Item 16*).

## 3. Fiduciary Governance Advice Services

As an additional service, Newport provides direct, ongoing advice regarding non-investment related obligations that ERISA places on plan sponsors of participant-

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directed defined contribution plans. Newport presents written reports to the retirement plan committee on a broad scope of fiduciary consulting services that may include:

- Development and maintenance of customized Fiduciary Practices Statement (*reviewed annually*)
- Periodic fiduciary governance review and development/review of Fiduciary Governance Charter
- Comprehensive total plan expense analysis including review for reasonableness and competitiveness versus industry standards (*annual*)
- Comprehensive service provider review versus performance standards as outlined in the services agreement and versus competitive standards and industry best practices (*annual*)
- Assessment of employee education and communication programs, including development of a comprehensive education and communication plan and ongoing evaluation of the effectiveness of the program (*annual*)
- Assistance with 404(c) compliance by conducting an annual diagnostic
- Assistance with DOL Reg. Section 2550.404a-5—participant fee disclosure—compliance by conducting an annual diagnostic
- Annual “recap” prepared for the board summarizing all pertinent information/activities of the retirement plan committee regarding oversight of the plan
- Fiduciary “onboarding” and education

#### **4. Retirement Plan Consulting Projects**

Newport conducts various projects for clients, including, but not limited to, retirement plan service provider searches, plan trustee searches, merger and acquisition consulting, comprehensive service provider reviews and total plan expense analysis. A retirement plan service provider search project would include comprehensive management of the entire search process, including custom creation of request for information (“RFI”) and request of proposal (“RFP”) documents, evaluation of RFI/RFP responses, finalist selection and interviews, on-site visits, and full conversion/implementation management.

#### **5. Risk-Selective Target Date Portfolios**

Risk-Selective Target Date Portfolios is a managed account service that allows individuals to select one of a series of 15 diversified portfolios by selecting the portfolio that aligns with their desired retirement date and individual risk tolerance. The portfolios are structured as a series of 3 risk levels (aggressive, moderate, and conservative), with 5 target-date ranges in 10-year increments (2011-2020, 2021-2030, 2031-2040, 2041-2050, and 2051-2060). The underlying investments and allocations are managed along a glide path that will gradually allocate the portfolios to a greater level of fixed income (bond) investments as time progresses toward the retirement year. The Firm intends to add target date ranges after 2060 and retire portfolios that have reached the designated retirement age.



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The portfolios can be constructed and managed using the plan’s designated investment alternatives, or a subset of those investments. These are called “Custom” portfolios. They can also be structured and unitized on a custodial platform using investments selected by Newport, called “Flagship” portfolios.

Newport offers a risk-tolerance questionnaire to assist plan participants in determining their investment risk tolerance. This questionnaire is intended to be used for the selection of the appropriate portfolio in conjunction with the participant’s expected retirement (or asset distribution) year.

- C. Newport’s services may be customized for clients. All guidelines are documented in the IPS.**
- D. Newport does not participate in any wrap fee programs.**
- E. As of December 31, 2022, NGC has \$11,041,335,804 of non–discretionary and \$652,739,884 of discretionary assets under management. NGS has \$21,232,626,074 of non-discretionary and \$1,734,248,543 of discretionary assets under management.**

### ITEM 5: FEES AND COMPENSATION

**A. Newport’s advisory services are offered and based upon either:**

1. Fixed fees; or
2. Percentage of assets under advisement or management.

**1. Fixed Fees**

As appropriate, Newport provides investment advice on a fixed fee basis. Such fees are subject to negotiation under certain circumstances based on the nature and complexity of the work to be done. Accounts opened or closed during a period will have the consulting fee prorated for the period. The terms for termination of services are made part of Newport’s investment consulting agreement as negotiated on a client–by–client basis.

**2. A Percentage of Assets under Advisement or Management**

Newport’s annual fee for investment consulting services, as further described below, is based on the value of the assets under Newport’s advisement or management. Such fees are subject to negotiation under certain circumstances and at the sole discretion of Newport. An exact fee will be agreed upon with each client and will be made a part of the investment consulting agreement.

Investment Consulting Services			
Assets Included in Service	Annual Fee (%)	Cumulative	
		%	\$
First \$25 million	0.15	0.15%	\$ 37,500
\$25 to \$50 million	0.10	0.125%	\$ 62,500
Over \$50 million	0.05 (Negotiable)	0.125% or less	\$ 62,500+

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Based on the complexity of the service solution, fees may be higher than represented or have overriding minimums that would exceed the above referenced fee schedule

Fee applies to billable assets only (*i.e.*, excludes company stock, self-directed accounts, etc.)

Fee is “blended” as assets increase

**Please note:** typically plans over \$50 million are quoted at a fixed annual fee.

### B. Fee Invoices

Consulting fees are assessed and invoiced in accordance with each client agreement. Typically, the fee is billed quarterly, in advance of service, based on the quarter-end value of the account or on a fixed-fee basis. Accounts opened or closed during a period will have the consulting fee prorated for the period. The terms for termination of services are part of Newport’s consulting agreement as negotiated on a client-by-client basis. Clients may also designate in writing that the fees may be automatically debited from the stated custodial account. In such instances, Newport will send the invoice to the client’s custodian and the custodian will debit the client account for the amount and forward it to Newport. Clients are advised to contact their custodians for monthly or quarterly statements which should include fee payments.

- C. When acting as an RIA, Newport often recommends the use of asset managers, typically in the form of mutual funds or collective trusts. Newport does not receive “indirect” compensation from the funds in the form of commissions or other forms of fund-based compensation with respect to its consulting services for ERISA-covered plans. All fees are disclosed on the client’s quarterly invoice.

Newport does not intend to receive any additional compensation from fund providers.

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When recommending a fund, Newport takes into consideration the overall fees and expenses with the intent to minimize plan expenses. This is evidenced in our investment manager evaluation and selection criteria as referenced in Item 4.B.

- C. Newport's service agreements typically terminate upon 30 days' advance written notice from the plan's named fiduciary. If the consulting contract terminates before the end of the current billing period, Newport will return unearned fees by check within 30 days after the contract's termination date. The unearned fees are determined by dividing the remaining number of days in the billing period by the total number of days in the billing period.
- D. Supervised persons do not accept nor are compensated for the sale of securities or other investment products.

### ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Newport does not engage in Performance-Based Fee and Side-by-Side Management of accounts. As described above, Newport provides consulting services for a fixed fee and/or based upon a percentage of assets under management.

### ITEM 7: TYPES OF CLIENTS

Newport generally provides investment advice and the services described in this ADV to the following types of clients:

- Defined contribution and defined benefit pension plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

Newport may interact with plan sponsors, plan committee members, boards of directors, officers responsible for investments or investment management, trustees and named or functional fiduciaries (*individuals who have discretionary authority*).

Participant-level services are provided under written contracts between Newport and the plan's named fiduciaries as plan features or services offered by the plan sponsor. Newport does not provide its services alongside other advisers under circumstances where a Plan participant may select among the advisers to provide participant-level advice.

### ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

- A. Newport advises clients on asset allocation using the Modern Portfolio Theory (MPT) and a mean-variance framework. MPT is a theory on how one can construct portfolios to maximize expected return based on a given level of risk. Mean-variance analysis is the process of weighing risk (variance) against expected return. In general, the Firm's approach is to construct portfolios that have the highest expected return for the given level of risk a client is willing to assume. Investing in securities involves risk of loss of principal. Newport's

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risk management methodology does not protect against loss. Clients should evaluate their ability to withstand market losses prior to investing.

- B. As an institutional consultant advising clients using MPT and mean-variance framework, we recommend investment managers within multiple asset classes so our clients are provided the ability to construct diversified portfolios. Certain risks are inherent to investing in money markets, stable value, fixed income, equity (*including domestic and international*) and alternative asset classes.

One should carefully review the models and underlying funds' prospectuses prior to investing.

Based upon the funds selected, other investment risks may include the following:

**Equity Securities Risk:** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. Value and growth stocks can perform differently from other types of stocks. Growth stocks can be more volatile. Value stocks can continue to be undervalued by the market for long periods of time. In addition, stock investments may be subject to risk related to market capitalization as well as company-specific risk.

**Fixed Income Securities Risks:** Investments in fixed income securities involves a variety of risks, including the issuer's insolvency (its inability to pay its obligations when due); decreases in market liquidity (the fund may be unable to sell its securities holdings at the price it values the security or at any price); and rising interest rates (rising rates result in lower market prices for debt securities). Volatility in interest rates and in fixed income markets may increase the risk that the fund's investment in fixed income securities will go down in value.

**Exchange-traded Funds:** Exchange-traded funds present market and liquidity risks, as they are listed on a public securities exchange and are purchased and sold via the exchange at the listed price, which will vary based on current market conditions and may deviate from the net asset value of the exchange-traded fund's underlying portfolio.

**Exchange-traded Fund (ETF) and Mutual Fund Risks:** ETF or mutual fund performance may not exactly match the performance of the index or market benchmark that the ETF or mutual fund is designed to track for many reasons, including the ETF or mutual fund will incur expenses and transaction costs not incurred by any applicable index or market benchmark; certain securities comprising the index or market benchmark tracked by the ETF or mutual fund may, from time to time, be temporarily unavailable; certain ETFs or mutual funds may use synthetic products to reduce tracking error with the market benchmark tracked by the fund which relies on the synthetic counterparty to carry through with its obligation to pay the agreed upon index return. If that does not occur, the ETF or mutual fund risks incurring losses that would impact investors; and supply and demand in the market for either the ETF and/or for the securities held by the ETF or mutual fund may cause the ETF or mutual fund shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF or mutual fund.

**Category or Style Risk:** During various periods of time, one category or style may underperform or outperform other categories and styles.

**Market Risk:** The price of a security, bond, or mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is

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caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

**Market Trading Risk:** The risk that an active secondary trading market for a fund does not continue once developed, that a fund may not continue to meet a listing exchange's trading or listing requirements, or that a fund shares trade at prices other than the fund's net asset value.

**Non-Diversification Risk:** Some funds may be classified as a "non-diversified" portfolio which means it may hold fewer securities than a diversified fund because it may invest a greater percentage of its assets in a smaller number of securities. Holding fewer securities increases the risk that the value of a fund could go down because of the poor performance of a single investment.

**Foreign Investment Risk:** Investments in foreign securities may be riskier than U.S. investments because of factors such as unstable international, political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory taxation or nationalization of companies by foreign governments, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting standards, political or economic factors that may severely limit business activities, and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors. Investments in emerging markets may involve these and other significant risks such as less mature economic structures and less developed and more thinly-traded securities markets.

**Currency Risk:** The performance of a fund may be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, particularly if a fund invests a significant percentage of its assets in foreign securities or other assets denominated in currencies other than the U.S. dollar.

**Derivatives Risk:** The use of derivatives is a highly specialized activity that involves a variety of risks in addition to and greater than those associated with investing directly in securities, including the risk that: the party on the other side of a derivative transaction will be unable to honor its financial obligation; leverage created by investing in derivatives may result in losses to the portfolio; derivatives may be difficult or impossible for the portfolio to buy or sell at an opportune time or price, and may be difficult to terminate or otherwise offset; derivatives used for hedging may reduce or magnify losses but also may reduce or eliminate gains; and the price of commodity-linked derivatives may be more volatile than the prices of traditional equity and debt securities.

**Interest Rate Risk:** The risk that fixed-income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

**Credit Risk:** The risk that a fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

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

**Liquidity Risk:** The risk that a particular investment may be difficult to purchase or sell and

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that a fund may be unable to sell illiquid (*non-marketable*) securities at an advantageous time or price.

**Mortgage-Related and Other Asset-Backed Risk:** The risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk and prepayment risk.

**Leverage Risk:** The risk that certain transactions of a fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, causing a fund to be more volatile than if it had not been leveraged.

**Management Risk:** The risk that there is no guarantee that the investment techniques and risk analyses applied by an investment manager will produce the desired results, and that legislative, regulatory, or tax developments may affect the investment techniques available to a particular investment/portfolio manager in connection with managing a fund and may also adversely affect the ability of a fund to achieve its investment objective.

**Inflation Risk:** When any type of inflation is present, purchasing power may be eroding at the rate of inflation.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This relates primarily to fixed income securities.

### **Additional risk not generally associated with investment advice**

**Cyber Security Risk:** With the increased use of technologies such as the internet to conduct business, Newport is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

## ITEM 9: DISCIPLINARY INFORMATION

Newport has no disciplinary information to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Some principal executive officers, and other employees and independent contractors of Newport, are Registered Representatives (“RRs”) of NGS and/or Investment Adviser Representatives (“IARs”) of NGC and/or NGS. Additionally, certain individuals are licensed as insurance agents and affiliated with unaffiliated insurance companies.

When acting as IARs, individuals associated with Newport operate under a strict fiduciary standard. Apart and aside from Newport's fee-for-service investment consulting business,

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when acting in both IAR and RR capacities, individuals associated with Newport are said to be acting in a “dual capacity”. Employees of Newport are not provided additional compensation for the sale of securities. Independent Contractors associated with NGC and/or NGS have written agreements in place pertaining to the services they offer and compensation paid to them for the sale of advisory services and/or securities. Each Independent Contractor is held to the same ethical standards as an employee of Newport and are required to comply with applicable policies and procedures including Newport Code of Ethics. Their activities are supervised by designated supervisors of Newport.

Newport Group, Inc. and its affiliates provide recordkeeping, plan administration, trustee and/or custodial services to the retirement plan clients of unaffiliated asset managers and/or their affiliates. These asset managers seldom provide sponsorship of, but may attend Newport Group, Inc.’s conferences that bring together industry leaders within the retirement industry. Newport may also act as an independent investment adviser to the in-house retirement plans of financial institutions whose investment managers may be recommended to other Newport clients. As a completely independent and objective investment consultant and manager, we seek investment managers deemed suitable, appropriate and prudent. Pursuant to this mandate, Newport may recommend the products or services of a financial institution client to other Newport clients. Such institutional clients would have no way of knowing whether a Newport client’s decision to invest in their products was advised or directed by Newport. Newport neither prefers nor avoids asset management firms who have any such relationships when determining whether an investment strategy meets Newport’s manager selection and monitoring criteria as described herein. The Firm will keep supporting documentation as to why any given investment strategy was recommended to clients that are provided investment consulting services through NGC or NGS.

Newport employees occasionally attend training and educational meetings sponsored by asset managers. An asset manager may offer to reimburse an attendee’s travel, lodging and meal expense to attend these meetings if not in violation of ethical codes of conduct that may be imposed upon the representative either by Newport or other professional affiliation, charter, registration, designation or other overseeing entities. The purpose of the meetings is to provide updates on the asset manager’s products or services. Employees are required to request approval to attend these meetings sponsored by asset managers and report related expenses associated with the meeting if reimbursed by the sponsor.

Ascensus Investment Advisors, LLC (“AIA”) (CRD# 120632) provides investment management services for (i) State government administered Qualified Tuition Plans, also known as 529 education savings plans; (ii) 529 ABLE savings plans (i.e., ABLE Plans created as a result of the passage of the Stephen Beck Jr., Achieving a Better Life Experience Act of 2014 or better known as the ABLE Act); and (iii) State Facilitated Retirement Plans (“SFRP”) that are available to employers in certain states who do not offer a qualified retirement plan to its employees. The 529 Plans, 529 ABLE Plans, and SFRP are hereinafter referred collectively as the “Plans”.

Ascensus Broker Dealer Services, LLC (“ABDS”) (CRD# 36478) is a SEC-registered broker-dealer and has been a member of FINRA since July 1994. ABDS is also a member of the Municipal Securities Rulemaking Board (“MSRB”), the Securities Investor Protection Corporation (“SIPC”), and National Securities Clearing Corporation (“NSCC”). ABDS is authorized to engage in the business of a municipal securities broker with respect to the sale of securities issued by Internal Revenue Code Section Plans, which are pooled investment funds established as trusts by state or local government entities and higher education savings plan and or ABLE trusts established by states. Further information regarding the firm, its

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management, and its services can be obtained by visiting FINRA's BrokerCheck website <http://brokercheck.finra.org>.

Ascensus College Savings Recordkeeping Services, LLC ("ACSR") is a SEC registered transfer agent. The firm was registered in January 2013. ACSR provides certain recordkeeping and other administrative services in tandem with AIA and ABDS. These services include maintaining participant-related account records, processing of account-related paperwork and other instructions, and communication/coordination with business partners and clients with respect to daily business and transaction-based activity. Further information regarding the firm, its management, and its services can be obtained by visiting the SEC's EDGAR website [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml).

Ascensus Trust Company ("ATC") is a trust company specializing in the support of employee benefit plans. The firm is regulated by the North Dakota Department of Financial Institutions. ATC operates separate and apart from ABDS, AIA, and ACSR. There is no affiliation between ATC and AIA (and its affiliates) other than through common ownership.

Provident Trust Group, LLC ("PTG") PTG is a trust company specializing in the support of employee benefit plans. The firm is regulated by the Nevada Financial Institutions Division. PTG operates separate and apart from ABDS, AIA, and ACSR. There is no affiliation between PTG and AIA (and its affiliates) other than through common ownership.

Nyhart Consulting, LLC ("Nyhart") (CRD# 145590) is an investment adviser registered with the state of Indiana since June 2012 and is a related person of AIA. Nyhart operates separate and apart from ABDS, AIA, and ACSR. There is no affiliation between Nyhart and AIA (and its affiliates) other than through common ownership.

Prima Capital Advisors, LLC (CRD# 124719) is a SEC registered investment adviser since January 2003. The firm is a related person of AIA although it operates separate and apart from ABDS, AIA, and ACSR. There is no affiliation between the firm and AIA other than through common ownership.

Kroll Securities, LLC DBA Duff & Phelps Securities, LLC: (CRD# 36927) is a SEC-registered broker-dealer and has been a member of FINRA since October 1994. The firm is a related person of AIA although it operates separate and apart from ABDS, AIA, and ACSR. There is no affiliation between the firm and AIA other than through common ownership.

### ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

#### **Code of Ethics**

Pursuant to the Investment Advisers Rule 204A-1, Newport has adopted various policies, including a Code of Ethics (the "Code") to address the potential for self-dealing and conflicts of interest which may arise with respect to personal securities trading by employees, officers and other affiliated individuals ("Access Persons"). The Code not only applies to Access Persons but also members of their immediate family (as defined in the Code), which includes relatives living in the Access Persons principal residences. The Code and other policies cover, among other things, the protection of confidential information, including the client's non-public information;



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the review and monitoring of the personal securities accounts of certain Newport personnel for evidence of manipulative and insider trading; and training of personnel.

Newport acts as a consultant on the retirement plan for several mutual fund companies. Independently, Newport evaluates the funds of these companies for consulting clients. Newport manages this conflict of interest by separating Newport employees who provide service to the retirement plan from those who evaluate the funds. The individuals who provide service to the retirement plans and the individuals who evaluate the funds do not receive ongoing compensation based on the revenue that the Firm receives as an investment consultant.

### **Personal Trading Policy**

Newport does not provide investment advice on individual securities. Newport has adopted a uniform insider trading policy and personal securities reporting requirement to identify and mitigate other conflicts of interest.

In general, this policy covers personal trading of all Newport employees deemed to be “Access Persons” of the Firm and includes the following restrictions on personal trades:

- Newport’s Access Persons under the Code are subject to additional, specific requirements with respect to their personal securities transactions, including disclosure of all securities holdings on an annual basis, certain reporting on transactional and quarterly basis and post review of transactions for certain designated securities and offerings.
- A director, officer or employee of Newport shall not buy or sell securities for their own personal portfolios where their decision is substantially derived, in whole or in part, from information received by reason of their employment unless the information is also available to the investing public upon reasonable inquiry.

You may obtain a copy of Newport's Code of Ethics by writing to the address listed on the cover page.

### **ITEM 12: BROKERAGE PRACTICES**

- A.** Newport does not receive “soft dollars benefits” to utilize research, research related products and/or other services obtained from broker-dealers.
- B.** Newport does not recommend broker-dealers for client referrals.
- C.** Newport does not recommend, request or require clients to direct Newport to execute transactions through a specified broker-dealer.

### **ITEM 13: REVIEW OF ACCOUNTS**

#### **A.-B. Reviews and Reviewers of Accounts**

Formal investment portfolio reviews are conducted quarterly, and quarterly reports are provided to clients in electronic and/or hard copy format. Newport's investment research analysts and investment consultants continually monitor investment managers based on the same quantitative and qualitative criteria used to evaluate and select investment managers, as described in Item 4.B.1. If a particular manager is not performing to our expectations based on the criteria, it will be placed on our Watchlist and allowed a period of time to

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correct the deficiencies. If the manager fails to improve, we will proactively recommend replacement of the manager when warranted.

Our investment process was developed and is implemented by our investment team, not any one individual. The overall review of the investment consulting services of Newport lies with the investment committee. However, the investment consultants and senior investment consultants are the primary reviewers of client accounts. Newport will monitor the number of accounts assigned to each investment consultant to ensure the level of professionalism established by Newport is maintained.

Newport reviews client accounts intra-quarter when a significant event (*e.g., investment manager or strategy change*) occurs.

### **C. Frequency of Reports**

The QIMR is the cornerstone of Newport's ongoing supervision process; (*also see Item 4, above*). It is a formal report that is prepared and delivered on a quarterly basis, connecting the ongoing monitoring process back to the criteria and benchmarks set forth in the IPS. The QIMR serves as a basis for the review of the menu, managers and the asset allocation tools (*if applicable*).

The QIMR also communicates Newport's perspective on the capital markets and provides commentary on the managers and the various asset classes and investment styles represented in the menu. Of particular value to clients are the Executive Summary “scorecards.” Each manager is “scored” along the key quantitative and qualitative criteria as identified in the IPS and utilized in the evaluation, selection, and monitoring process described in Item 4.B.1.

We have separate and distinct Executive Summaries for active managers, passive managers, the stable value/money market option, and the plan's asset allocation tools (*target-date funds, risk-based models, and/or participant advice service for participant-directed plans.*) Also of value in our defined benefit plan QIMR is the DB Plan Attribution Analysis Summary.

Clients or custodians also receive confirmations of account activity directly from the applicable investment company, fund family, or insurance company.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

### **A. Solicitors**

In accordance with the SEC Marketing Rule under the Investment Advisers Act of 1940, Newport infrequently engages a non-affiliated third-party to solicit advisory services. Each arrangement is fully disclosed in writing to the client prior to signing the Consulting Agreement with Newport.

The referral fee is paid in one of two ways:

1. A percent of Newport's annual consulting fee, payable to the intermediary partner quarterly, or
2. A one-time fee paid from Newport's consulting fee.

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Importantly, the fee Newport pays the third-party does not increase Newport's fee to the client for investment consulting services. All solicitor related compensation is paid by Newport.

### ITEM 15: CUSTODY

The Firm does not provide custodial services to or maintain custody for its clients' assets. However, the Firm is deemed to have custody of client's assets subject to Rule 206(4)-2 of the Advisers Act (the "Custody Rule") because one of the Firm's affiliates, Newport Trust Company, is a "qualified custodian" pursuant to the Custody Rule. Even though the Firm is subject to the Custody Rule, it is exempt from Rule 206(4)-2(b)(6) the "Independent Verification Rule" under the Custody Rule because the Firm and NTC are "operationally independent" of each other.

Clients must ensure that copies of monthly/quarterly/annual custodial statements are forwarded directly to them from their selected custodian and should periodically compare those statements to reports provided by the Firm. The Firm records may differ from custodial statements based on accounting procedures, valuation methodologies and other reporting related processes.

Retirement plan sponsors may engage Newport Trust Company as a qualified custodian. Newport Trust Company engages a sub-custodian that hold the assets. Plan sponsors are not required to engage Newport Trust Company as a custodian and may select another unaffiliated third-party as a custodian.

### ITEM 16: INVESTMENT DISCRETION

#### **Investment or Brokerage Discretion Portfolio Management Services**

Newport's discretionary investment management authority, including any limitations thereon, is specified in its services agreements with its clients. Such authority may be restricted further under the terms of the client's investment policy statement. Typical restrictions will limit Newport from purchasing certain securities within certain industries or the securities of specific issuers. Newport retains the right to refuse to accept any client account that imposes restrictions that are unreasonable. Clients may change or amend these limitations upon providing thirty (30) days' advance written notification to Newport.

### ITEM 17: VOTING CLIENT SECURITIES

- A.** Newport's service agreements do not confer standing authority to vote any proxies with respect to the client's investment portfolio. Consequently, Newport has no affirmative obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account.
- B.** Newport does not have authority to vote client securities. In most cases, clients receive their proxies and/or other solicitations directly from their custodian (or transfer agent). Newport does not volunteer advice concerning the voting of proxies and/or other solicitations; however, Newport will offer advice upon a client's request. Clients may contact us for assistance with proxies and/or solicitations via phone, electronic mail or in writing. Importantly, Newport will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. In no event will

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Newport provide advice or recommendations in connection with voting employer securities of the plan sponsor that may be held by the plan. In addition, Newport typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

### ITEM 18: FINANCIAL INFORMATION

Newport does not require or 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. Newport does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.

### ITEM 19: BROCHURE SUPPLEMENTS

Accompanying this firm Brochure are brochure supplements for individual employees of NGS and NGC who are responsible for providing investment advice to its clients.

#### **Summary of Professional Designations and Industry Licensure**

Some individuals registered with NGS or NGC may also hold securities licenses with the Financial Industry Regulatory Authority (“FINRA”) through Newport’s affiliated broker-dealer, Newport Group Securities, Inc. (“NGS”). More information on NGS and each person’s licenses can be found at <https://brokercheck.finra.org>.

#### **Chartered Financial Analyst®**

The Chartered Financial Analyst (“CFA®”) charter is a globally recognized, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

#### **The Society of Actuaries®**

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The Fellow of the Society of Actuaries (“FSA”) is an education, research, and professional membership organization. Achieving Fellowship status is based primarily on completing specified educational requirements, with no requirement related to a certain number of years of practical actuarial experience. The Fellow of the Society of Actuaries (“FSA”) credential signifies completion of the following educational achievements:

**Fellow:** The Fellow of the Society of Actuaries has demonstrated a knowledge of the business environments within which financial decisions concerning pensions, life insurance, health insurance, general insurance and investments are made including the application of mathematical concepts and other techniques to the various areas of actuarial practice. The Fellow has further demonstrated an in-depth knowledge of the application of appropriate techniques to a specific area of actuarial practice. Fellows may vote in Society of Actuaries elections.

### **Chartered Alternative Investment Association®**

Chartered Alternative Investment Analyst (CAIA) is a professional designation granted by the Chartered Alternative Investment Analyst Association (CAIA Association) to certify that charter holders have met the association’s educational standard for specialists in the area of alternative investments. Alternative investments may include private equity, private debt, venture capital, derivatives, and real estate, among other asset classes. CAIA Association seeks to improve investment and societal outcomes of capital allocation through professional education, transparency, and thought leadership across all investor alternatives in the financial services industry. CAIA Charter holders demonstrate globally recognized knowledge and credibility.

To earn the CAIA charter, candidates must: 1) hold a bachelor’s degree or the equivalent and have more than one year of full-time professional experience within the regulatory, banking, financial or related fields, or alternatively, have at least four years of full-time professional experience within the regulatory, banking, financial or related fields; 2) pass two sequential, four-hour examinations, or alternatively, pass the second exam if the first exam is waived based on being a CFA charter holder in good standing with no existing CAIA exam history; 3) submit payment for a one- or two-year CAIA Association Membership; and 4) agree on an annual or biennial basis to abide by the Member Agreement.

### **Certified Financial Planner®**

Certified Financial Planner (CFP) is issued by the Certified Financial Planner Board of Standards, Inc. Candidates must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience or the equivalent part-time experience (2,000 hours equals one year full-time). The exam covers several areas, including risk management, retirement planning, debt management and investment planning. The CFP also has continuing education requirements. Learn more at <https://www.cfp.net/>.

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## ITEM 19: PRIVACY POLICY

<b>Facts</b>	<h3>What does Newport do with your Personal Information?</h3> 
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<b>Why?</b>	<p>Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information.</p>
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<b>What?</b>	<p>The types of personal information we collect and share depends on the product or services we provide to you. This information can include:</p> <ul style="list-style-type: none"> <li>• your name, date of birth, address and social security number</li> <li>• your account balance and transaction history</li> <li>• certain personal preferences and investment choices</li> <li>• employment, education, medical history and marital status</li> <li>• certain biometric information such as voiceprints</li> <li>• website usage including browsing history and domain name</li> </ul>
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<b>How?</b>	<p>All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons we choose to share this information; and whether you can limit this sharing.</p>
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Reasons we can share your personal information	Does Newport share this Information?	Can you limit this sharing?
<b>For our everyday purposes</b> Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
<b>For our marketing purposes</b> To offer other products and services to you.	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> Information about your transactions and experiences.	Yes	No
<b>For our affiliates' everyday business purposes</b> Information about your creditworthiness.	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>Questions</b>	Call the Privacy Policy Line at 888-913-3600 or go to <a href="https://www.newportgroup.com/contact/privacy-policy-inquiry/">https://www.newportgroup.com/contact/privacy-policy-inquiry/</a> .
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<b>Who We Are</b>
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## Who is providing this notice?

Newport Group, Inc. and its affiliates. A list of our affiliates is below.

## What We Do

### How does Newport protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. To learn more about security at Newport, please [click here](#).

### How does Newport collect my personal information?

We collect your personal information, for example, when you:

- open an account or an account is opened on your behalf, for example, by your employer
- provide account information or give us your contact information
- take a distribution from your account
- make or change an investment choice

We also collect your personal information from others, such as your employer, affiliates and other companies.

### Why can't I limit all sharing?

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes – information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more information on your rights under state law.

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial or nonfinancial companies. our affiliates include, but are not limited to:

- Newport Group Securities, Inc.
- Newport Trust Company
- Newport Consulting, LLC

### Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *We do not share with nonaffiliates so they can market to you*

### Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *We do not jointly market*

## Other important information

We collect health and medical information on the behalf of non-affiliated insurance carriers that provide insurance services.

### California Residents:

For California residents, please [click here](#) to receive additional information on your rights under the California Consumer Privacy Act.

### All Other States and International Laws:

States and other countries may provide for additional rights regarding your personal information. You may obtain further information by contacting the Privacy Policy Line at 888-913-3600 or going to <https://www.newportgroup.com/privacy-policy/>.