

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

03/06/2024

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 23, 2023 annual update to our ADV Part 2A Brochure for All Services the only material changes have been:

- Vision’s new decumulation module, Retirement Income Planner, is described in Item 4 Advisory Services.
- Description of the BeFine financial wellness app now appears in Item 10 Other Financial Industry Activities and Affiliations.
- Item 10 Other Financial Industry Activities and Affiliations - membership of ProManage’s Board was updated.
- ProManage, LLC was acquired by Smart USA Co. on May 31, 2023. Changes were made with the June 2023 update to reflect this in the following sections:
  - Item 4 Advisory Business - new owner;
  - Item 10 Other Financial Industry Activities and Affiliations - various affiliates and conflicts of interest are identified; and
  - Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - monitoring of supervised persons.
- Item 14 Client Referrals and Other Compensation was updated in June 2023 to reflect how employees can be compensated for referrals.



## Table of Contents

Material Changes.....	2
Advisory Business.....	4
Fees and Compensation.....	9
General Information on Fees .....	12
Performance-Based Fees.....	13
Types of Clients.....	13
Methods of Analysis, Investment Strategies & Risk of Loss.....	14
Disciplinary Information .....	17
Other Financial Industry Activities and Affiliations.....	17
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	19
Brokerage Practices.....	19
Review of Accounts.....	20
Client Referrals and Other Compensation.....	21
Custody .....	22
Investment Discretion .....	22
Voting Client Securities.....	23
Financial Information.....	23



## 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.

On May 31, 2023 ProManage, LLC became a subsidiary of Smart USA Co. Smart USA Co. is a subsidiary of Smart Pension Limited.

#### Types of Advisory Services Offered

##### ProManage PROgram™

ProManage provides investment advisory services to defined contribution (such as 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 the choice of a user of ProManage's online guidance tool, Vision, to implement changes), ProManage develops an investment strategy for the participant. Projections of Social Security benefits assume continued government funding and payment streams without interruption or cuts in benefits. 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 other investments which may be offered in a defined contribution plan. ProManage assesses these investment products' manager's capabilities, the investment objective of the product, and the products' fit within the client's investment portfolio. 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 such as a Plan Health Check 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. Vision metrics are available. Retirement Readiness Statements can provide additional insight at the participant level.

## Vision

ProManage also offers, through plan sponsor clients and plan providers, Vision its online guidance tool offering simulations and statistical analysis 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 Age, Retirement Income, Savings Rate and Investment Risk. With this online guidance tool, 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. Projected Social Security benefits assume continued government funding and payment streams without interruption or cuts in benefits.

If the ProManage PROgram is offered by the plan sponsor, then the suggestions 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 suggestions generated, manually implement the suggestions in whole or in part, or ignore the suggestions.

The Vision service utilizes stochastic financial modeling techniques, 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 the decumulation module, Retirement Income Planner ("RIP"), which ProManage recently developed, Vision can also inform those PROgram participants approaching retirement (e.g. beginning at age 50 or 55) or already retired about investing and estimated potential distributions during retirement while balancing applicable retirement levers. Participants can add a retirement partner and that person's retirement assets, as well as other investment assets that are to be used for living expenses during retirement. Participants can also enter other preferences affecting their withdrawals. Participants should estimate their expenses in



retirement before comparing with Vision’s estimated potential distributions. Plan sponsors can choose to include this module, and select the age threshold, as part of Vision.

The information 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.

### 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.

### 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 guidance tool, which stochastically models for a future 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, 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.



## Other Services

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.

### Investment Manager Due Diligence, 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 typically an assessment of various criteria, some of which may include: 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 and industry norms.

### 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. ProManage works closely with clients to identify the client's criteria, factors and weights, and the pool of candidates the client wants considered. After research and review of the candidates, ProManage typically provides a list of recordkeepers to choose from based on the client's objectives. The client can choose from those or pursue other options. ProManage's aim is to provide information to help the client with its process, not to recommend any one of the recordkeepers. We will disclose potential conflicts of interest in advance of the client agreeing to use our services for the search. Certain recordkeepers have integrated the ProManage PROgram in their platforms; for more information, see Items 10 and 14.

## 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 magnitude or 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.

BeFine Financial Wellness Application -- Additional customization requested by a client and implemented by ProManage is subject to additional fees as negotiated.

### 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, 2023:

Discretionary:	\$5,350,515,424
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 recordkeeper will allocate the fee to plan participants. Essentially, the plan's recordkeeper assesses 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 recordkeeper. In general, for clients with assets exceeding 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 recordkeeper is 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 recordkeeper. 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 recordkeeper) 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 recordkeeper 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 terminates 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 \$5 - \$15 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, Retirement Income Planner (RIP), 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 a Plan Health Check, 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.

### Retirement Readiness Statements/Benefit Statements

ProManage charges clients a fee for its benefit statements. Fees can 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

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, data integration, etc. This fee will be billed monthly in arrears as the design/customization and implementation progresses. The fee range for design/customization and implementation ranges from \$50,000 to \$600,000. This fee is negotiable.

Once operational, a license/maintenance fee will be paid quarterly by the client. The annual license/maintenance fee generally ranges from \$120,000 to \$250,000; that fee will vary based on factors such as the number of anticipated or actual users of the app, complexity, integration, et al. The annual license/maintenance fee for large highly complex operations ranges from \$250,000 to \$1.25 million. License/maintenance fees are negotiable. Other fees will apply as negotiated in the individual case, and can include, for example, hosting fees. A client will pay ProManage's license/maintenance fee in advance 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 charged 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 - \$300 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, a 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. (e.g., BeFine)

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 recordkeeper.

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, the recordkeeper and the fees charged by ProManage for its services to fully understand and evaluate the total fees to be paid. Some recordkeepers charge additional fees to PROgram participants and may bundle those fees with the fees that support the cost of the PROgram. 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 suggestions 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 on 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 units;
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, consult with ProManage's Chief Executive Officer and President, 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 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. In some cases a minimal allocation to an alternative asset or real estate fund, if available, will be used. These funds are generally less correlated to equity and fixed income markets and offer the benefits of additional diversification beyond that which is feasible with a straight equity-fixed income portfolio. 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 to recover. ProManage helps manage this risk by offsetting the equity exposure with fixed income investments (considering one's known other dedicated retirement income sources 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. In some cases an alternative asset or real estate fund, if available, will be used to offer further diversification. 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 consider 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; if they are not, results will vary. 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 trusts, 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 generally need not disclose fund performance and the components of a portfolio as frequently as other types of pooled investment vehicles. Analytic data commonly available from investment reporting services for mutual funds may not be available for CITs or with the same frequency.

A large concentration of employer stock in a retirement plan can undermine the risk-reducing benefits of a diversified securities portfolio. By using various 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.

### Data From Third Parties

ProManage relies on a significant amount of data from other entities such as recordkeepers, plan sponsors and their consultants, participants, fund managers, investment analytic firms et al. Information from these sources which are incomplete, inaccurate or stale can affect the downstream use of that data.

### Cybersecurity Risk

Cyberattacks and other security events remain a risk to financial services firms, particularly if such events involve compromise of account credentials or the unauthorized access or disclosure of confidential information. A cyberattack or significant cybersecurity incident could result in ProManage being unable to receive, process, or fulfill services for clients





and their participants or may result in operational disruptions which, if sustained for a lengthy duration, could eventually impact the ability of ProManage to provide advisory services to its clients. Cyberattacks on ProManage itself could result in an increased likelihood of unauthorized disclosure of firm, client, or participant information, or delays in processing. ProManage mitigates these cybersecurity risks by leveraging third party service providers for cybersecurity and technology expertise, network security, data replication, and regular testing and training.

## 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

ProManage is under common ownership and/or control with these financial entities:  
Stadion Money Management, LLC  
Smart Retirement Solutions Inc.

ProManage is affiliated with Smart USA Co. ("Smart") and its subsidiaries, including but not limited to Smart Managed Solutions, Inc. and Smart Retirement Solutions, Inc. ProManage's CEO also serves on the Smart USA Co. board. A Smart USA Co. and Stadion Money Management LLC ("Stadion") executive sits on ProManage's board.

Conflicts of interest exist when ProManage offers clients or prospects Smart and its subsidiaries', including but not limited to Stadion's, products and services as they are affiliates and would receive compensation when a client/prospect purchases those services. ProManage will seek to maintain clear separation from affiliates' (e.g. Smart and Stadion) products and services.

#### Recordkeepers

By agreement, certain 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 also Items 4, 5 and 14)

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

ProManage, LLC offers to other investment advisers and recordkeeping platforms a private-labeled asset allocation and online guidance tool for use with those investment advisers'



retirement plan sponsor clients and prospects. ProManage's client is the investment adviser or recordkeeping platform. The client 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 guidance 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 Guidance Platform. Similarly, those investment advisers would be responsible for all discretionary decisions including but not limited to any parameterization and suggestions associated with the Private-Labeled RRS. Fees can 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.

### BeFine™ Financial Wellness Application

ProManage's BeFine™ Financial Wellness application (on mobile devices and a related website) is available to retirement plan sponsors, benefits providers and platforms. 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. Users in the BeFine client's retirement savings plan may also have access to a retirement readiness score; clients who do not offer the PROgram and Vision to their participants would provide the input data necessary for calculation of the retirement readiness scores. No investment or securities advice is provided by or through the BeFine Financial Wellness App. Outside resources/links, such as client-related resources, government and research institution websites, and possibly supplemental resources targeting specific participants' needs identified by the client, 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. ProManage can provide BeFine clients with statistical analyses based on aggregated data showing utilization and progress toward goals.



## 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;
- report outside business activities;
- 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 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 supervised 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 the supervised 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, 10 and 14)

### **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 guidance tool, 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 suggestions 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. Users of the decumulation module, Retirement Income Planner (RIP), will also



need to refresh their inputs/data at least once per year. 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, assumptions, assets, or circumstances to be considered should seek the counsel 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.

In the past, ProManage has compensated, and may compensate, certain employees based on new clients obtained. This referral fee can be in the form of a commission. Where ProManage pays such a commission for a new client referral, that 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.

A recordkeeper used by ProManage has an incentive to recommend that plan sponsors on their recordkeeping platform engage ProManage for the PROgram investment advisory service because the recordkeeper receives a recordkeeping administrative fee based upon the value of assets using the PROgram on their platform. This compensation is separate from the advisory fee ProManage charges for advisory services and the recordkeeper's



compensation does *not* come from ProManage. Nonetheless, to be fully transparent with clients, ProManage discloses this recordkeeper fee to its clients and their participants, and further requires the recordkeeper to disclose this conflict of interest and the terms of the recordkeeper's separate fee to plan sponsors to whom they recommend ProManage. (See also Item 10)

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.

## **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.

ProManage does not accept or exercise investment or advisory discretion with its Private-Labeled Asset Allocation and Online Guidance 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.

Information has been provided by ProManage. Fidelity Investments is not responsible for its content.

