

Form ADV Part 2A
Item 1: Cover Page



The ProFolio Group, LLC

67-46 161st Street, #3A
Flushing, NY 11365
(718) 682-4009
CRD No. 296790

TheProFolioGroup.com

This Brochure provides information about the qualifications and business practices of The ProFolio Group, LLC (“The ProFolio Group”). If you have any questions about the contents of this Brochure, please contact us at (718) 682-4009 and/or Info@TheProFolioGroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The ProFolio Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of The ProFolio Group provide you with information you can use to decide whether to hire or retain us as your advisor.

Additional information about The ProFolio Group is also available on the SEC’s website at www.adviserinfo.sec.gov

November 2018

Item 2: Material Changes

This section of the Firm Brochure will be updated when material changes have been made since the previous release of the Brochure. A summary of such changes will be provided.

Pursuant to SEC Rules, we will ensure that you receive an annual summary of any material changes to this and subsequent Brochures, as well as an offer to receive a copy of the Brochure upon request. We may also provide other ongoing disclosure information about material changes as necessary and provide you with a new Brochure at any time, without charge.

A summary of material changes is as follows:

- Addition of a new service, Financial Consulting. Additional information related to Financial Consulting has been added to Item 4. Advisory Business and Item 5. Fees and Compensation;
- Removal of privacy policy as it will be provided to current and prospective clients as a standalone document; and
- Clarification of billing frequency and timing across services.

To request a copy of our Form ADV - Part 2A (Firm Brochure), please contact our firm at (718) 682-4009 or Info@TheProFolioGroup.com. Our Brochure is available at any time, free of charge. Additionally, it is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with The ProFolio Group, LLC ("The ProFolio Group") who are registered, or are required to be registered, as investment adviser representatives of The ProFolio Group, if applicable.

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Item 4: Advisory Business

Description of the Advisory Firm:

The ProFolio Group is a New York Limited Liability Company formed in March 2018 and registered as an investment advisor with the state of New York in 2018. Our firm and its associates may register in other jurisdictions in which we conduct investment advisory business. The ProFolio Group is a new entity and as such its Assets Under Management (“AUM”) are not yet reported. The firm’s Founder and Principal Owner is Mr. Jonathan Seif.

Types of Advisory Services:

Financial Planning Services: We understand that clients have a wide range of goals and objectives. It is important for us to understand the client’s overall financial situation early on in the relationship. This enables us to make suitable recommendations and work with clients to improve their financial situation. To accomplish this, we offer all of our clients Financial Planning Services, as described below.

We provide financial planning to individuals, families and other clients based on analysis of each client's current financial situation, goals, and objectives. Generally, such financial planning will involve preparing a comprehensive financial plan or engaging in a financial consultation with clients. In order to do so, we first work with the client to identify, articulate and document key information, which will assist us in preparing their financial plan. This includes, but is not limited to, their financial, investment and personal objectives, risk tolerance, time horizon, investment knowledge, net worth, income, age, target retirement age, brokerage accounts, retirement accounts, pensions, insurance, annuities, social security estimates, tax rate, details of family, living expenses, and any other information of material relevance. We also have a broad discussion about their previous investment history, experience with investment professionals and goals for retirement. Our goal is to understand our client’s financial picture and determine which areas of financial planning are necessary at that time.

The planning may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Education Funding, Charitable Giving, Cash Flow and Budgeting Analysis, Risk Management, Employee Benefits and Insurance Planning.

We meet with clients on a periodic basis to review their plan, discuss changes in their personal or financial situation and make any necessary changes to their plan.

Investment Management Services: The ProFolio Group provides portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the “Program” and “SWIA,” respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”) and a cash allocation. The client may instruct us to exclude up to three (3) ETFs from their portfolio. It should be noted that clients are not allowed to make trades in their Program accounts and restrictions on investments in specific securities may not be possible due to the inherent limitations of the Program. The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the “Program Disclosure Brochure”), which is delivered to clients by SWIA during the online enrollment process.

The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. ("Schwab"). The ProFolio Group is independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, Schwab or its affiliates. The minimum investment required to open an account in the Program is \$5,000. The ProFolio Group, and not Schwab, is the client's investment adviser and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that its operations are as described in the Program Disclosure Brochure.

The ProFolio Group has contracted with SWIA to provide the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of the investment process (the "System"). The System includes an online questionnaire that helps us determine client investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we will make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

In addition to our primary platform and custodian, Schwab, The ProFolio Group recommends the use of Interactive Brokers, LLC ("IB" or "Interactive Brokers") for certain client accounts. Interactive Brokers is a FINRA-registered broker-dealer, member SIPC, and is independent and unaffiliated with The ProFolio Group. The ProFolio Group primarily recommends the use of Interactive Brokers to clients interested in portfolios comprised of individual stock positions and for non-US clients. The ProFolio Group solely offers investment management services to non-US clients or those clients living in countries that comply with Interactive Brokers' list of "Approved Countries." Our process for understanding the client's situation (risk tolerance, time horizon, investment objectives, etc.) remains the same as with US-based clients.

Financial Consulting: The ProFolio Group also provides investment management services where we provide advice and recommendations to the client, but do not have the trading authorization or direct access to the client's account(s). All trade implementation under this service is the responsibility of the client, however, the client is under no obligation to act upon The ProFolio Group's advice and recommendations.

Educational Workshops and Seminars: The ProFolio Group may host educational workshops and seminars about a variety of financial related topics. The workshops or seminars are educational in nature and we do not provide individualized investment advice to attendees. Our primary goal is to educate individuals on the importance of financial literacy.

Retirement Plan (Pension) Consulting Services: The ProFolio Group provides Retirement Plan (Pension) Consulting Services to employers that sponsor qualified retirement plans including, but not limited to pensions, cash balance, profit sharing and 401(k) plans ("the Plan"). For services offered, the "plan sponsor" is our client ("Client"). Depending on the

needs of the plan sponsor, Clients may choose to use any or all of the services described below:

- **Investment Policy Statement Preparation:** The ProFolio Group will assist the Client in preparing a written Investment Policy Statement (“IPS”) that includes investment objectives, policies and constraints consistent with the Plan’s requirements. If an IPS exists, we will review and evaluate the IPS to determine that the investment strategy of the Plan is consistent with the IPS. Unless otherwise agreed upon, the Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- **Investment Selection:** The ProFolio Group will review the Plan’s investments and provide investment advice to clients about asset classes and investment alternatives available for the Plan in accordance with the Plan’s investment policies and objectives. Unless otherwise agreed upon, the Client shall have the final decision-making authority regarding the initial selection, retention, removal and addition of investment options.
- **Investment Monitoring:** The ProFolio Group will assist the Client in monitoring investment options by preparing periodic investment reports that document investment performance, fund management, and conformance to the guidelines set forth in the IPS. The ProFolio Group will make recommendations to maintain or remove and replace investment options. Unless otherwise agreed upon, the Client maintains authority and is responsible for actual selection and replacement of investment options.
- **Selection of QDIA:** The ProFolio Group will provide investment advice to the Plan Sponsor with respect to the selection of a Qualified Default Investment Alternative (“QDIA”) for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. Unless otherwise agreed upon, the Client shall have the final decision-making authority, along with the sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).
- **Fee Analysis, Benchmarking and Negotiation:** The ProFolio Group will periodically assist the Client in evaluating the reasonableness of Plan fees. This may include documenting and benchmarking fees to help the Client understand what the Plan is paying and how it compares to other plans. The ProFolio Group may also recommend specific steps that can be taken to reduce those fees, as well as assist in negotiating fee arrangements and cost structures.
- **Service Provider Search:** The ProFolio Group will assist the Client with performing a provider search, along with an analysis of services provided. Providers include, but are not limited to recordkeepers, third party administrators and custodians. We will assist Clients with the selection of service providers including preparation of requests for proposals (“RFP”), evaluation of proposals, and negotiation of the service agreement including fees for negotiated services to be rendered.
- **Fiduciary Education:** The ProFolio Group will educate Plan fiduciaries on their duties and responsibilities to the Plan. This may include providing legislative and regulatory updates that could impact them or the Plan.
- **Participant Services:** The ProFolio Group offers services to participants of the Plan with the goal of increasing Plan participation and awareness, as well as overall financial literacy. These services include participant education regarding investment options and fees, presentations, seminars, webinars, group enrollment meetings, and written investment materials.

- **Participant Newsletters:** The ProFolio Group may also offer additional communications to plan participants, including newsletters describing the Plan's investment options and performance. Newsletters may also include market commentary and additional articles of interest and may be prepared as often as agreed upon by The ProFolio Group and the Client.

Fiduciary Status Under ERISA:

The ProFolio Group may be deemed to be a fiduciary to any advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act of 1974 ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, our firm may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset our firm's advisory fees.

Item 5: Fees and Compensation

Advisory Fees

Investment Management Fees: The ProFolio Group provides investment management services under an "Assets Under Management" fee schedule. The ProFolio Group does not charge or accept commissions for investment management services. The ProFolio Group strongly believes that fee-only investment advisory services best ensure unbiased and objective advice for the client. Fees are computed as an annualized percentage of AUM, including cash balances and accrued interest. Fees for services rendered by The ProFolio Group shall be calculated using the fee schedule listed below:

Standard Fee Schedule

<u>Assets Under Management *</u>	<u>Annual Fee</u>
Less than \$ 250,000	.75 %
\$ 250,000 - \$ 499,999	.70 %
\$ 500,000 - \$ 999,999	.65 %
\$ 1,000,000 - \$ 2,499,999	.60 %
\$ 2,500,000 - \$ 4,999,999	.55 %
More than \$ 5,000,000	.50 %

* AUM on last day (closing balance) of quarterly billing period.

The fee schedule above represents The ProFolio Group's standard fee schedule. This fee schedule applies to strategies and accounts held at both Schwab and Interactive Brokers.

The ProFolio Group also offers strategies that involve the buying and selling of option contracts. These accounts are held at Interactive Brokers and are subject to a separate fee schedule. The fee schedule for these strategies is below:

Strategies with Options Fee Schedule

<u>Assets Under Management *</u>	<u>Annual Fee</u>
Less than \$ 250,000	1.00 %
\$ 250,000 - \$ 499,999	.95 %
\$ 500,000 - \$ 999,999	.90 %
\$ 1,000,000 - \$ 2,499,999	.85 %
\$ 2,500,000 - \$ 4,999,999	.80 %
More than \$ 5,000,000	.75 %

* AUM on last day (closing balance) of quarterly billing period.

Fees outlined in the Standard and Strategies with Options fee schedules are payable quarterly in arrears (at the end of the billing period) and calculated based on the closing balance on the last day of the quarter. Fees begin accruing when accounts become linked to us or when initially funded. Payments are due and will be assessed on the first day after the end of each calendar quarter, based on the account's AUM as of the close of business on the last business day of that quarter. At our discretion, fees may be waived on the value of deposits made shortly before the end of the quarter. While we may try to identify deposits, and waive fees on the deposit as a courtesy, it is ultimately up to the client to bring the deposit to our attention and formally request the fee be waived.

Clients who maintain accounts at Interactive Brokers are eligible for automatic billing. Interactive Brokers calculates fees daily and allows for monthly or quarterly billing in arrears. Fees may be automatically deducted from clients' accounts. Clients authorize the custodian holding client funds and securities to deduct The ProFolio Group's advisory fees from their managed accounts. The custodian will provide the client with periodic account statements, which reflect all fee withdrawals by The ProFolio Group. It is the client's responsibility to verify the accuracy of the fee calculation. Some clients choose, with our approval, to pay fees directly to The ProFolio Group. For clients that pay directly, payment is due upon receipt of the billing statement.

Financial Consulting: The ProFolio Group provides financial consulting services under an "Assets Under Supervision" fee schedule. The ProFolio Group does not charge or accept commissions for financial consulting services. Fees are computed as an annualized percentage of assets under supervision, including cash balances and accrued interest. Fees for financial consulting services rendered by The ProFolio Group shall be calculated using the fee schedule listed below:

Financial Consulting Fee Schedule

<u>Asset Under Supervision *</u>	<u>Annual Fee</u>
Less than \$ 250,000	.25%
\$ 250,000 - \$ 1,000,000	.20%
More than \$ 1,000,000	.15%

Financial Consulting fees will be billed manually by The ProFolio Group and are payable quarterly in arrears (at the end of the billing period) and calculated based on the closing balance of supervised assets on the last day of the quarter as valued by the applicable qualified custodian where the client's assets are held.

Retirement Plan Services (Pension Consulting): For retirement plan sponsor clients, The ProFolio Group will charge an annual fee that is calculated as a percentage of the value of Plan assets. The following fee schedule is provided as an illustrative example of our basic fee schedule. The exact fee a client will be pay will be determined prior to commencement of services and detailed in their agreement with our firm. Different fee schedules are determined based on the exact type of services provided, amount of assets in the Plan, number of employees covered by the Plan and complexity of the client's situation. It should be noted that the following fee schedule represents the maximum fee scheduled we typically charge for Retirement Plan Services.

Retirement Plan Fee Schedule

<u>Plan Assets *</u>	<u>Annual Fee</u>
Less than \$ 1,000,000	.50%
\$ 1,000,000 - \$ 3,000,000	.40%
\$ 3,000,000 - \$ 10,000,000	.30%
More than \$ 10,000,000	.20%

* Plan Assets on the last day (closing balance) of the quarterly billing period.

Fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Plan as of the last business day of the current billing period. Fees are pro-rated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

The retirement plan services agreement will continue to be in effect from the date fully executed and may be terminated at any time upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party. Termination of services will not affect (a) the validity of any action previously taken by The ProFolio Group under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) the client's obligation to pay fees that have already been earned under the agreement. Upon termination of the agreement, we will not have any continuing obligation to take any action. If the client terminates the services, the balance (if any) of our unearned fees shall be refunded to the client and the balance (if any) of our earned fees shall be charged to the client through the course of our client termination process.

Additional Fees and Expenses: Clients do not pay fees to SWIA or brokerage commissions and other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. The ProFolio Group's fees are not set or supervised by Schwab. Brokerage arrangements are further described below under Brokerage Practices. Clients may incur additional transactional charges and/or brokerage fees when buying or selling securities at other custodians recommended by The ProFolio Group (e.g. Interactive Brokers.) These transaction charges are typically imposed by the custodian through which the trades are executed, and The ProFolio Group does not share in any portion of the transaction charges.

All fees paid to The ProFolio Group for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. A client could invest in a mutual fund or and ETF directly, without the services of the firm. In that case, the client would not receive the services provided by the firm which are

designed, among other things, to assist the client in determining which mutual fund/s or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by the firm to fully understand the total amount of fees, and to thereby evaluate the advisory services being provided.

Wrap Fees: The ProFolio Group does not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay brokerage commissions or any other fees to SWIA as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

Negotiations and Termination: The Advisor does not generally require a minimum asset level or advisory fee for investment advisory services. In addition, the Advisor, in its sole discretion, may reduce its investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). The Investment Advisory Agreement between the Advisor and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, the Advisor shall debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing period. Neither The ProFolio Group, nor any associated persons, receives direct compensation from the sale or delivery of securities. Upon termination of accounts, clients become responsible for monitoring of their assets and The ProFolio Group has no further obligation to act upon or to provide advice with respect to those assets.

Item 6: Performance-Based Fees and Side-by-Side Management

The ProFolio Group does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of assets in client accounts.)

Item 7: Types of Clients

The ProFolio Group provides advisory services to the following types of clients:

- Individuals and High Net Worth Individuals;
- International Clients (Non-US Individual Clients);
- Trusts, Estates or Charitable Organizations;
- Pension, 401(k) and Profit-Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

Schwab Institutional Intelligent Portfolios Program:

Clients eligible to enroll in the Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is \$5,000. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

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

Method of Analysis:

Prior to providing any investment advice, The ProFolio Group and associates of the Firm will first gather and consider several important pieces of information, including your:

- Current financial situation;
- Current and long-term needs;
- Investment goals and objectives;
- Level of investment knowledge;
- Tolerance or appetite for risk; and
- Reasonable investment restrictions involving your account(s).

In addition to the time we spend trying to better understand our clients, we also spend significant time researching the investments we recommend and make for our clients. Our research is drawn from sources that include financial periodicals, reports from economists and other industry professionals, annual reports as well as prospectuses and other regulatory filings.

Using the list above, along with other types of research material, we will perform the following types of analysis:

- **Charting:** Analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices.
- **Fundamental:** Analysis performed on historical and present data, including but not limited to micro/macro-economic, industry and company management, with the goal of making financial forecasts.
- **Technical:** Analysis performed on historical and present data, focusing on price, trade volume, etc. to forecast the direction of prices.
- **Cyclical:** Analysis performed on historical relationships between price and market trends, to forecast the direction of prices.

Investment Strategies:

We recognize that each client's needs and goals are different; subsequently portfolio strategies and underlying investment vehicles may vary. Generally, our investment advice is based on Modern Portfolio Theory and the belief that proper diversification and risk management will provide an investor client with a stable and consistent return over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long-term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels. This is methodology behind our core strategy, and for many clients, the strategy that we will use to build their primary diversified portfolio.

Our core strategy can be summarized with the following beliefs:

- We believe that markets work in an efficient manner.
- We believe that diversifying across asset classes, and periodically rebalancing your portfolio, helps to maximize returns while minimizing risks.
- We believe in the importance of keeping costs down by minimizing transaction costs and utilizing low-cost funds.

While many of our clients will be invested in our “core” strategy mentioned above, we will also maintain portfolios for clients with different objectives. This may include portfolios constructed to include individual asset classes such as individual stocks, fixed income or cash alternatives. A common alternative to our “core” strategy is a diversified portfolio of individual domestic stocks.

For all strategies, our information gathering process and methods of analysis remain the same. We will always spend significant time researching the investments that go into client accounts. Additionally, we believe that diversification, rebalancing and low-cost investing are important, and we will attempt to incorporate these three principals into our strategies as we deem appropriate.

Generally, our investment strategies are primarily intended for the long-term and clients should be prepared to hold investments for at least one year or longer. However, we will also manage or provide advice for the short-term (i.e. investments sold within one year).

We may also utilize certain option strategies. The predominant use of options at The ProFolio Group is selling a covered call contract (“covered call”). When the investor sells the call option on a security held in the portfolio, the benefit is to increase income while holding the security. The covered call is a conservative way to participate in the options market. However, the investor limits the upside potential of the stock in a rising market if the stock increases in value over the strike price. The client can also suffer from a declining market in the value of the stock, but can continue to sell more call options.

It should be noted that any mention of past performance, patterns or trends are not indicative of future results.

Risk of Loss:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase, and client accounts could enjoy a gain, it is also possible that the stock market may decrease and client accounts could suffer a loss. Understanding this, The ProFolio Group encourages clients to be prepared and informed. This includes being appropriately diversified in investments, being aware of risks, and being comfortable asking their advisor questions. It is important that clients understand the risks associated with investing in the stock market and securities (including stocks, bonds, options, mutual funds and ETFs). In addition to the risk of loss, mentioned above, there are additional risks associated with investing in securities including, but not limited to, the following:

- **Market Risk:** When the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. Also known as “systemic risk”.
- **Equity (“Stock”) Risk:** Common stocks are susceptible to general market fluctuations and increases/decreases in value as market confidence and perceptions of their issuers change. Holding common stock of an issuer will generally expose you to a greater risk than holding preferred stocks and debt obligations of the same issuer.
- **Company Risk:** When investing in individual stock positions, there is a level of company or industry specific risk that is inherent in each investment. The risk is that the company will perform poorly or have its value reduced due to unforeseen circumstances (for example, employees of a company going on strike or the company receiving unfavorable press.) This risk can be reduced through diversification.

- **Fixed Income Risk:** When investing in fixed income instruments such as bonds, there is the risk that the issuer will be unable to make payments and default on the bond. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.
- **Options Risk:** Option contracts on securities may be subject to greater fluctuations in value than an investment in the underlying security itself. While some option strategies provide income or hedges against specific market movement, other strategies can be highly speculative and involve increased risk.
- **ETF and Mutual Fund Risk:** When investing in an Exchange Traded Fund (“ETF”) or a Mutual Fund, a client will bear additional expenses based on the ETF or Mutual Fund’s operating expense. The risk of owning an ETF or Mutual Fund also reflects the risks of owning the underlying securities held by the ETF or Mutual Fund.
- **Credit Risk:** Credit risk is the risk that a company or individual will be unable to pay the contractual interest or principal on its debt obligations. This type of risk is of particular concern to investors who hold bonds in their portfolios.
- **Liquidity Risk:** Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated as quickly as initially intended.
- **Currency Risk:** When investing in foreign countries you should consider the fact that currency exchange rates affect asset prices and overall performance of investments. Currency risk applies to all financial instruments that are in a currency other than your domestic currency. As an example, if you are a resident of Canada and invest in a US stock priced in US dollars, even if the share value appreciates, you may lose money if the US dollar depreciates in relation to the Canadian dollar.
- **Country Risk:** This includes a collection of risks associated with investing in a foreign country. These risks include political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, which is the risk of capital being locked up or frozen by government action. Country risk can reduce the expected return on an investment and must be taken into consideration if investing abroad.
- **Inflation Risk:** Rising inflation reduces the purchasing power of the underlying currency, which is the dollar for U.S. based investments. This also applies to foreign investments, which may be denominated in other currencies.
- **Interest-Rate Risk:** Changes in interest rates may result in fluctuations in the prices of other investment vehicles. For example, when interest rates rise, fixed income securities prices fall.
- **Omission of Risks:** This Brochure does not provide a comprehensive list of every possible source of risk. Every potential outcome of an investment cannot be predicted, and it cannot disclose every potential risk factor for every investment to clients. The value of securities that the Firm invests in may go up or down in response to factors not within our firm’s control, including but not limited to the status of an individual company underlying a security, or the general economic climate. Clients may suffer losses for any reason or no discernible reason.
- **Management:** The Firm is dependent on the services of its Managing Member. If he were incapacitated or otherwise unable to continue providing services, the Firm would not be able to continue to implement its strategy and clients could experience a significant or total loss of capital.
- **Frequent Trading:** Although many of the Firm’s investments are long-term in nature, any capital gains due to positions held for less than one year may be taxable at a higher rate. Frequent trading could result in lower returns due to these costs.

Schwab Institutional Intelligent Portfolios Program:

Schwab's Program Disclosure Brochure includes a discussion of various risks associated with the program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. The Program Disclosure Brochure also discusses market/systemic risks, asset allocation /strategy/ diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of The ProFolio Group or the integrity of The ProFolio Group's management. The ProFolio Group and its employees have no legal or disciplinary actions to report.

Item 10: Other Financial Industry Activities and Affiliations

Neither The ProFolio Group nor its Advisors are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Neither The ProFolio Group nor its Advisors are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or representative of the foregoing.

The ProFolio Group does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.

The ProFolio Group does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

The ProFolio Group has a fiduciary duty to our clients. It is our responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of our clients at all times. We take this responsibility seriously and our fiduciary duty is considered the core principal of our Code of Ethics. The ProFolio Group maintains a Code of Ethics for the firm, as well as all associated persons. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, our Code of Ethics establishes our firm's expectation for business conduct. A copy of our Code of Ethics will be available to you upon request.

Neither The ProFolio Group nor its associated persons recommends to clients, or buys or sells for client accounts, any securities in which we have a material financial interest.

The ProFolio Group and its associated persons may buy or sell securities identical to those securities recommended to clients and bought and sold in client accounts. Our policies are in place to ensure that we do not put our interest before client's interest.

Neither The ProFolio Group nor any associated person may trade ahead of our clients or trade in such a way to obtain a better price for themselves than for clients.

In order to prevent conflicts of interest, The ProFolio Group has in place a set of procedures with respect to transactions effected by our members, officers and employees for their personal accounts, as well as related family accounts. These procedures include maintaining a list of all securities held by associated persons and supervision of trading activities of associated persons who have knowledge of client transactions, along with any related family accounts. This list is updated, confirmed and signed off on by associated persons at least quarterly. Furthermore, associated persons are prohibited from trading on non-public information or sharing such information.

Our firm and any associated persons must conduct business in an honest, ethical, and fair manner and avoid any and all circumstances that could negatively affect our duty to place client's interests first. This disclosure is provided to give clients a summary of our Code of Ethics.

Item 12: Brokerage Practices

The Custodians and Brokers We Use:

Our firm does not maintain custody of client assets on which we advise (although our firm may be deemed to have custody of client assets if we are given the authority to withdraw assets from client accounts (see Item 15: Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. While our firm recommends that clients use Schwab or IB as custodian/broker, clients will decide whether to do so and open an account with Schwab or IB by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained at Schwab or IB, our firm can still use other brokers to execute trades, as described in the next paragraphs.

Unless otherwise agreed upon by both the client and The ProFolio Group, all clients must maintain their accounts at a recommended custodian, which is predetermined based on the nature of their investment needs as well as their country of citizenship. If you do not wish to use Schwab or Interactive Brokers as the custodian, The ProFolio Group will not be able to manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor.

How We Select Brokers/Custodians:

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for client accounts);
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);

- Availability of investment research and tools that assist in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength and stability of the provider;
- Prior service to our firm and our other clients; and
- Availability of other products and services that benefit our firm, as discussed below (see “Products & Services Available from Schwab & Interactive Brokers”)

Your Custody & Brokerage Costs:

For client accounts it maintains, Schwab generally does not charge separately for custody services, but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. For some accounts, Schwab may charge a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab’s commission rates and/or asset-based fees applicable to client accounts were negotiated based on our firm’s commitment to maintain a minimum threshold of client assets in accounts at Schwab. This commitment benefits clients because the overall commission rates and/or asset-based fees paid are lower than they would be if our firm had not made the commitment. In addition to commissions or asset-based fees Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade that our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has Schwab execute most trades for the accounts.

Products & Services Available from Schwab & Interactive Brokers:

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like The ProFolio Group. In addition to Schwab, we utilize the products and services offered through Interactive Brokers. They both provide our clients and us with access to their institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab or IB retail customers. Schwab and IB also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. The availability of Schwab/IB’s products and services is not based on the provision of particular investment advice, such as purchasing particular securities for clients. Here is a more detailed description of Schwab and IB’s support services:

- **Services That Benefit You:** Schwab and IB’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and IB include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab and IB’s services described in this paragraph generally benefit you and your account.
- **Services That May Not Directly Benefit You:** Schwab and IB also make available other products and services that benefit our firm but may not directly benefit you or your account. These products and services assist in managing and administering our clients’ accounts. They include investment research, both

Schwab/IB's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab or IB. In addition to investment research, Schwab and IB also make available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
 - Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
 - Provides pricing and other market data;
 - Facilitates payment of our fees from our clients' accounts; and
 - Assists with back-office functions, recordkeeping and client reporting.
- **Services That Generally Benefit Only Us:** Schwab and IB also offer other services intended to help manage and further develop our business enterprise. These services include:
 - Educational conferences and events;
 - Technology, compliance, legal, and business consulting;
 - Publications and conferences on practice management and business succession; and
 - Access to employee benefits providers, human capital consultants and insurance providers.

Schwab and IB may provide some of these services itself. In other cases, they will arrange for third-party vendors to provide the services to our firm. Schwab/IB may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab/IB may also provide our firm with other benefits, such as occasional business entertainment for our personnel. Irrespective of direct or indirect benefits to our client through Schwab or IB, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or associated persons.

Our Interest in Schwab's Services:

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for these services, and they are not contingent upon committing any specific amount of business to Schwab in trading commissions or assets in custody.

With respect to the Program, our firm does not pay SWIA fees for its services in the Program so long as our firm maintains \$100 million in client assets in accounts at Schwab that are not enrolled in the Program. If our firm does not meet this condition, then our firm will pay SWIA an annual fee of 0.10% (10 basis points) on the value of our client assets in the Program. This fee arrangement gives our firm an incentive to recommend or require that clients with accounts not enrolled in the Program be maintained with Schwab.

In light of our arrangements with Schwab, a conflict of interest exists as our firm may have incentive to require that clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our firm rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. As part of our fiduciary duty to our clients, our firm will endeavor at all

times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of Schwab as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Schwab and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution. Additionally, in an effort to provide clients with an alternative to Schwab, we also offer our advisory services on Interactive Brokers platform.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions. Our firm believes that the selection of Schwab as a custodian and broker is the best interest of our clients. It is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that only benefit our firm.

Soft Dollars:

Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits. Our firm also does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

Directed Brokerage:

On occasion, a client may direct The ProFolio Group to effect securities transactions in the client's account through a specific broker-dealer in return for portfolio evaluation or other services deemed by the client to be of value. Each request will be assessed at the time it is received and The ProFolio Group retains the right to deny a request for this type of service. This instruction must be provided in writing and shall be construed as a "directed brokerage arrangement." In such circumstances, the client is responsible for negotiating the terms and arrangements for their account with that broker-dealer. The ProFolio Group will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the client's transactions with orders for other client accounts for execution through other broker-dealers. As a result, The ProFolio Group may not obtain best execution on behalf of a client with a directed brokerage arrangement, and the client may also pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Special Considerations for ERISA Clients:

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan

brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Aggregation of Purchase or Sale:

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts

While the underlying securities within client portfolios are regularly monitored, client accounts are reviewed on a quarterly basis. Client accounts are reviewed in the context of the investment objectives and guidelines of each client, as well as any investment restrictions provided by the client. More frequent reviews may be triggered by major market or economic events, major life events for clients, material changes in the client's investment objectives or risk tolerance, or simply a request by the client. Reviews are conducted by the Founder, Managing Member & Chief Compliance Officer, Mr. Jonathan Seif.

Clients receive account statements in writing on monthly and/or quarterly basis from Schwab and Interactive Brokers. Additional reports showing transaction summaries, investment performance, and account status are prepared upon client request. Reports or items of interest may be sent to clients as they are deemed necessary and in the best interests of the client.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. These reviews are conducted by Jonathan Seif. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

Item 14: Client Referrals and Other Compensation

The ProFolio Group is not engaged in any relationships under which it compensates, or is compensated, for client referrals.

Item 15: Custody

The ProFolio Group in its capacity as a Registered Investment Adviser will not physically take custody of client assets. The ProFolio Group may recommend the client establish a custodial agreement for the benefit of the client with The ProFolio Group's preferred

Custodians (Schwab and Interactive Brokers). However, please be aware that The ProFolio Group does deduct fees from your account, and thus is determined to have one form of custody. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to The ProFolio Group.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. This report will detail the client's current investment positions held with the Custodian, the prior quarter's values, contributions and/or distributions made during the quarter and the investment returns for various periods including the most recent quarter. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that The ProFolio Group provides. The ProFolio Group's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

The ProFolio Group receives discretionary authority from most of its clients upon establishing the advisory relationship. This discretion allows The ProFolio Group to select the security and quantity of securities to be bought or sold within the client's accounts. In all cases, however, we will only exercise such discretion after receiving proper legal authority (i.e. limited power of attorney) and in a manner consistent with the stated investment objectives for the particular client account. The limited power of attorney grants The ProFolio Group the authority:

- To trade securities on the client's behalf in the account;
- To authorize the disbursement of The ProFolio Group's quarterly investment advisory fee; and
- To authorize the custodian to disburse a check from the client's custodial account to their address of record or, with additional paperwork signed by the client, to a bank account registered in the client's name.

When selecting securities and determining amounts, we observe the investment goals, as well as any limitations or restrictions imposed by the client. Investment guidelines and restrictions must be provided to The ProFolio Group in writing.

Item 17: Voting Client Securities

As described in Schwab's Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. Our firm has directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third-party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special Schwab form available from our firm.

For all other accounts, The ProFolio Group will not vote proxies on behalf of client accounts. Upon request, The ProFolio Group may offer clients advice regarding proxy votes and/or other solicitations.

Item 18: Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

The ProFolio Group has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients and The ProFolio Group has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

Educational Background and Business Experience of Principal Officers:

Mr. Jonathan Seif is the principal officer of The ProFolio Group, LLC (“The ProFolio Group”). Information on Mr. Jonathan Seif’s educational background and business experience is contained in a supplement to this brochure. You should receive both the brochure and the supplement, Form ADV Part 2B.

Other Business Activities of Principal Officers:

Other business activities, if applicable, are detailed in Form ADV Part 2B.

Performance Fee Calculations:

The ProFolio Group does not charge performance-based fees for its investment advisory services. The fees charged by The ProFolio Group are as described in “Item 5: Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities held by clients.

Disciplinary Information:

Neither The ProFolio Group nor any management person has been involved in any of the items listed below:

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - an investment or an investment-related business or activity;
 - fraud, false statement(s), or omissions;
 - theft, embezzlement, or other wrongful taking of property;
 - bribery, forgery, counterfeiting, or extortion; or
 - dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - an investment or an investment-related business or activity;
 - fraud, false statement(s), or omissions;
 - theft, embezzlement, or other wrongful taking of property;
 - bribery, forgery, counterfeiting, or extortion; or
 - dishonest, unfair, or unethical practices.

Material Relationships with Issuers of Securities:

No one in our firm has any relationship or arrangement with any issuer of securities.

Form ADV: Part 2B (Brochure Supplement)



The ProFolio Group, LLC

67-46 161st Street, #3A
Flushing, NY 11365
(718) 682-4009
CRD No. 296790

TheProFolioGroup.com

for

Jonathan Seif (CRD No: 5591743)
Founder, Managing Member & Chief Compliance Officer
Jonathan@TheProFolioGroup.com

November 27, 2018

This brochure supplement provides information about Jonathan Seif that supplements The ProFolio Group, LLC brochure. You should have received a copy of that brochure. Please contact us at (718) 682-4009 if you did not receive The ProFolio Group, LLC's brochure or if you have any questions about the content of this supplement.

Additional information about Jonathan Seif is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience:

Name: Jonathan Seif

Year of Birth: 1988

Formal Education:

CUNY Queens College
Major – Sociology
100 credits received, not yet graduated.

Business Experience:

The ProFolio Group, LLC
Founder, Managing Member & Chief Compliance Officer
March 2018 – Present

Betterment, LLC
Business Success Executive
January 2018 – September 2018

Fidelity Brokerage Services, LLC
Financial Consultant
December 2012 – January 2018

Item 3: Disciplinary Information:

Jonathan Seif does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4: Other Business Activities:

Jonathan Seif is not engaged in any other investment-related business or occupation.

Item 5: Additional Compensation:

Jonathan Seif does not receive any economic benefit from any person, company or organization, other than The ProFolio Group, in exchange for providing clients advisory services through The ProFolio Group.

Item 6: Supervision:

As the only owner and representative of The ProFolio Group, Jonathan Seif supervises all duties and activities of the firm. Jonathan Seif adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm's policies and procedures manual, including the Code of Ethics, and appropriate securities regulatory requirements.

Item 7: Requirements for State Registered Advisers:

Jonathan Seif does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.