

**MILINOVICH & Co., Inc.**  
**REGISTERED INVESTMENT ADVISOR**

**101 N. Woodland Avenue  
Waynesburg, PA 15370**

**(724) 852-1500  
MilinovichRIA.com**

March 2024

This *FIRM BROCHURE* provides information about the qualifications and business practices of Milinovich & Co., Inc. If you have any questions about the contents of this *FIRM BROCHURE*, please contact us at (724) 852-1500 or at [Mike@MilinovichRIA.com](mailto:Mike@MilinovichRIA.com). The information in this *FIRM BROCHURE* has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Milinovich & Co., Inc., is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Milinovich & Co., Inc., is 122894).

**NOTE:**

While Milinovich & Co., Inc., may refer to itself as a “registered investment advisor” or “RIA,” clients should be aware that registration itself does not imply any level, skill, or training.

**Item 2: Material Changes from Previous Version**

This Brochure, dated March 2024, is an amended document prepared according to SEC and State Securities rules and regulations. Accordingly, this document requires certain new information from our previous *FIRM BROCHURE* (Form ADV Parts 2A and 2B) dated December 2023.

*Please retain a copy of this brochure for your records.*

### Item 3: Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
Item 1 . . . . .	Cover Page . . . . .	1
Item 2 . . . . .	Material Changes . . . . .	1
Item 3 . . . . .	Table of Contents. . . . .	2
Item 4 . . . . .	Advisory Business . . . . .	3
Item 5 . . . . .	Fees and Compensation . . . . .	3
Item 6 . . . . .	Performance-Based Fees and Side-By-Side Management . . . . .	5
Item 7 . . . . .	Types of Clients . . . . .	5
Item 8 . . . . .	Methods of Analysis, Investment Strategies and Risk of Loss . . . . .	5
Item 9 . . . . .	Disciplinary Information . . . . .	6
Item 10 . . . . .	Other Financial Industry Activities and Affiliations . . . . .	6
Item 11 . . . . .	Code of Ethics . . . . .	6
Item 12 . . . . .	Brokerage Practices . . . . .	7
Item 13 . . . . .	Review of Accounts . . . . .	7
Item 14 . . . . .	Client Referrals and Other Compensation . . . . .	7
Item 15 . . . . .	Custody . . . . .	8
Item 16 . . . . .	Investment Discretion . . . . .	8
Item 17 . . . . .	Voting Client Securities . . . . .	8
Item 18 . . . . .	Financial Information . . . . .	8
Item 19 . . . . .	Requirements for State-Registered Advisors . . . . .	9

#### **Item 4: Advisory Business**

Milnovich & Co., Inc., Registered Investment Advisor, is a fee-only Financial Advisory Firm. It was formed in 1998 in the commonwealth of Pennsylvania, and the principal owner is Michael A. Milnovich, President.

Milnovich & Co., Inc., RIA, focuses on providing its clients a range of investment advisory and financial consulting services that include developing an accurate profile for each client and making recommendations based on clients' needs, risk profile, and investment objectives. The firm invests client funds using sound methods in IRAs and brokerage accounts, primarily using mutual funds and Exchange Traded Funds (ETFs).

The advisor develops recommendations for clients based upon an initial analysis of the client's current portfolio. During the initial process, the client's total portfolio is reviewed by the advisor and an accurate investor profile is created which includes the client's objectives, time horizons and tolerance for risk. The advisor works in educating the clients about the importance of asset allocation with an emphasis on long-term investment strategies and performance horizons. The advisor's recommendations are composed of asset classes that are well-diversified and that address the client's short and long-term goals and objectives. The advisor will then acquire for the client, through an investment custodian, such investment products. The advisor will then attempt to maintain a well-diversified portfolio according to the risk, liquidity, legal administrative and subjective parameters that the client has made known to the advisor. The client's portfolio is monitored on a regular basis, and changes will be made should the advisor identify assets within the portfolio that do not appear to meet the stated goals and objectives of the particular client. Specific performance results are never guaranteed.

The advisor analyzes the historical performances and investment styles of various mutual funds and ETFs, as well as their portfolio managers throughout various market cycles and time periods. Funds are then selected for recommendation to clients on the basis of such attributes as relative performance to comparable products, investment objectives and style, risk return profile, tax efficiency, fee structure and portfolio fit.

The advisor also provides other personal financial services to their investment clients or possible investment clients, such as income tax planning and retirement planning.

As disclosed in the advisor's Form ADV Part 1, the firm manages \$91,833,882 in total client assets, \$15,894,330 on a discretionary basis, and \$75,939,552 on a non-discretionary basis. This total is calculated using the closing US market prices as of December 31, 2023.

#### **Item 5: Fees and Compensation**

The specific manner in which fees are charged is established in the client's written *Investment Policy Statement and Services Agreement* with Milnovich & Co., Inc., Registered Investment Advisor. Status reports will be delivered quarterly for all accounts.

## Schedule A: Investment Management Fee Schedule

Assets Under Management	Annual Fee Rate
\$0 - \$99,999	1.00% <sup>1</sup>
\$100,000 - \$499,999	1.00%
\$500,000 - \$999,999	0.75%
\$1,000,000 - \$4,999,999	0.50%
\$5,000,000 or more	0.25%

For clients who hold fixed assets, rather than equities, in excess of 33% of the value of any account, a lesser annual fee of 0.50% will be charged on these fixed assets; instead of the higher fees as listed in Schedule A.

Assets under management include both marketable and non-marketable securities for which the advisor received a regular record of purchases, sales, dividends, interest, and capital gains. Fees for investment advisory services are annual fees based upon the value of the portfolio managed and in accordance with Schedule A, above. For the initial quarter, the investment management fees shall be established based on the initial portfolio value. Investment management fees shall be evaluated on a quarterly basis and determined based on the value of the client's portfolio at the end of each calendar quarter. The above fee rates may be negotiated in some circumstances based upon the cumulative asset value in multiple accounts of the same immediate family; whereas the cumulative asset level meets a threshold that warrants a lower fee schedule that wouldn't be met individually.

Prior to having fees deducted via a qualified custodian, Milinovich & Co., Inc., will:

- a) Obtain written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b) Send the qualified custodian a written or electronic notice of the amount of fees to be deducted from each client's account; and,
- c) Send the client an itemized invoice separating the equity fee from the fixed income fee if the fixed asset component exceeds 33% of the value of each individual account, the time period covered by the fee, and the assets under management on which the fee was based.

### Hourly Consultation Fees

Fees other than investment management fees are generally based upon actual or estimated hourly charges which vary according to the individual providing the service. The hourly fee for investment and support services will be billed at a rate of \$175/hr. for the investment advisor, plus appropriate secretarial time, and potential computer charges. Hourly fees will be billed and payable on a monthly basis, based upon the current hourly rate schedule as disclosed in the executed service agreement. Hourly fees are generally not negotiable, unless discussed in advance.

<sup>1</sup>The minimum advisory fee is \$150 per quarter; therefore, portfolios with less than approximately \$60,000 will incur a fee that is greater than 1.00% on an annualized basis. This fee is negotiable if it appears the amount of assets under management will increase in the future to more than the minimum quarterly fee.

## **Termination Provisions**

Clients may terminate their *Investment Services Agreement* with Milinovich & Co., Inc., at any time by written notification. Should said notification be received by the advisor within five (5) full business days of the *Agreement's* acceptance, client will receive a full refund. Should client wish to terminate the *Agreement* after such time period, Milinovich & Co., Inc., will be compensated through the date of termination for the higher of either time spent in design of the financial plan at the advisor's standard hourly rate, or a pro-rata portion of the quarterly asset management fee. Any balance of the fee shall be refunded. The advisor reserves the right to terminate this *Agreement* unilaterally, in which case all fees paid, but not earned, will be refunded to the client.

## **Additional Fees**

In addition to our Management Fee, a client may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, fees charged by Independent Manager(s), custodial fees, transaction fees, charges imposed directly by a mutual fund or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (e.g., fund management and other fund expenses), odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes that may be associated with securities transactions.

Item 12 further describes the factors that the advisor considers in selecting or recommending a broker-dealer/custodian for the client.

It should be noted that Milinovich & Co., Inc., does not receive any of the above listed "additional fees" as additional compensation.

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

The advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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

The advisor provides advisory services to individuals, families, businesses, trusts, estates, charitable institutions, qualified pension/profit sharing plans, and other corporations and/or other business entities who desire a high degree of personalized and professional service. Although there is no minimum asset requirement to become a client of Milinovich & Co., Inc., there is a minimum quarterly fee of \$150 unless otherwise negotiated in advance.

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

Milinovich & Co., Inc., uses various data sets and analytical tools in its investment selection process. Data sets are built on the following categories: Funds currently held, Funds previously held but no longer buying additional shares, Funds previously held with no current assets under management, and funds that are watched, meaning they may become viable candidates for clients' investments. Information is accumulated twice a month on these data sets, and compared against their own peer group, as well as their own particular benchmark. Various analytical tools

are used, such as the Morningstar Advisor Workstation, which enables the firm to drill down into the specific attributes and history of each specific fund. Other tools used include Charles Schwab's institutional platform, which includes tools that enables Registered Investment Advisors to perform research and utilize its resource center for investment selection.

The investment strategies used will vary depending on the client's financial goals and risk tolerance. Generally, clients seeking capital preservation with limited risk will be managed with passive strategies using fixed income products (e.g. bonds) and index funds, whereas clients seeking growth with greater risk will be managed with active strategies using mutual funds and ETFs.

While the advisor will not engage in day-trading, active strategies employed by fund managers may entail additional risk due to a greater frequency in transactions, which may involve additional transaction costs, and taxes. Also, strategies that use options may entail additional risk as losses may exceed those seen in underlying stock.

Milinovich & Co., Inc., reminds clients that there are risks, fees and charges, and limitations that one must consider when investing. Any investment in securities carries market and other investment risks, and investors may lose their principal investment.

## **Item 9: Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a prospective client's evaluation of the Registered Investment Advisor of the integrity of its management. Neither Milinovich & Co., Inc., its principals, nor its employees have a history of any legal or disciplinary action.

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

Milinovich & Co., Inc. was also a Certified Public Accounting Firm from January 1972 until December 2015. The Firm ceased preparing income taxes after April 15, 2023.

## **Item 11: Code of Ethics**

### **Code of Ethics**

Pursuant to SEC Rule 204A-1, Milinovich & Co., Inc., has a Code of Ethics that promotes the fiduciary duty of Milinovich & Co., Inc., and its IA Reps. The Code of Ethics articulates the importance of trust as a foundation to the relationship between an investment advisor and his or her clients and establishes policies and procedures to ensure that Milinovich & Co., Inc., and its IA Reps place the interests of the clients first. The Code of Ethics requires that Milinovich & Co., Inc., and its IA Reps adhere to all applicable securities and related laws and regulations. The Code of Ethics also requires Milinovich & Co., Inc., and its IA Reps to follow industry "best practices" involving: confidential information, suitability of investments, personal trading on the part of Milinovich & Co., Inc., and its IA Reps, outside business activities of IA Reps, and the disclosure of conflicts of interest.

A copy of the Advisor's Code of Ethics is available upon request for any client or prospective client.

## **Participation or Interest in Client Transactions and Personal Trading**

Milinovich & Co., Inc., may have an interest in client transactions as far as they may personally invest in the same securities recommended to Advisory clients in maintaining its own corporate profit-sharing plan with no-load funds and open-end ETFs similar to those it recommends to its clients. Personnel and the Advisor are permitted to personally invest their own monies in mutual funds and/or other investment vehicles which may also be, from time to time, recommended to clients. Such investment purchases are independent of, and are not connected in any way with, investment decisions made on behalf of the Advisor's clients. These transactions involve a conflict of interest as Milinovich & Co., Inc., or IA Reps may benefit from an increase in price from subsequent purchases by Advisory Clients. To address this conflict of interest, Milinovich & Co., Inc., and IA Reps will adhere to the following procedures regarding their personal trading:

- (1) Client transactions will always be placed ahead of those for the Advisor, its management, and its IA Reps;
- (2) The Advisor and its IA Reps will always recommend investments that are widely traded, and that are not deemed to be reportable under Rule 204A-1(e)(10).

## **Item 12: Brokerage Practices**

The advisor will recommend Charles Schwab as custodian to all clients using the Advisor's *Portfolio Management Services*. The advisor recommends Charles Schwab primarily for its relatively low transaction costs and the advisor's familiarity with its trading platform. Clients have no obligation to use the recommended investment custodian.

### **Directed Brokerage and Aggregated Orders**

The Advisor will rely on the Custodian for the execution of transactions and will not direct trades to specific brokers. As such, clients may not receive the lowest price possible if they were to have their trades directed to specific brokers.

## **Item 13: Review of Accounts**

Clients' accounts are reviewed quarterly. Reviews can also be done for clients upon request.

Following the review, the advisor will provide a portfolio performance report, and make recommendations for possible changes in the client's portfolio at that time.

Clients also receive monthly statements from the investment custodian.

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

Milinovich & Co., Inc., may from time to time use the services of one or more solicitors. Clients referred by a solicitor must sign a *Solicitor's Disclosure Statement* provided by the solicitor, and there will be no increase in fees due to a solicitor arrangement. Any solicitor agreements are in compliance with the state securities laws of Pennsylvania.

## **Item 15: Custody**

Clients will engage an independent custodian to maintain their accounts and so the Advisor will not have *physical* custody of clients' assets, monies, or securities. Accordingly, clients will only receive account statements from their custodian although Milinovich & Co., Inc., may send other communication including invoices at least quarterly.

Milinovich & Co., Inc., urges the client to review such statements.

The custodian of the client's account will hold all customer assets. The Advisor will not hold customer funds or securities and is independent of the custodian.

In addition, the firm marks the Form ADV Part 1, Item 9A(1)(a) and 9A(1)(b) "no" that we do not have physical custody of the client's cash or securities.

The Pennsylvania Banking and Securities Department does not impose the need to mark this question yes as long as the advisor has technical custody under Title 10, Section 303.042(a)(3)(i) only due to the fact that the advisor subtracts their investment fees directly from the client's accounts as long as the four following conditions are met: A) that the advisor possesses written authorization from the client to deduct advisory fees from the accounts held by a qualified custodian; B) that the advisor sends the qualified custodian written notice of the amounts to be deducted from the client's account; C) that the advisor sends the client a written notice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee is based and D) that the advisor notify the department on Form ADV that the advisor is adhering to the above three requirements.

## **Item 16: Investment Discretion**

The advisor receives discretionary authority from clients at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold.

## **Item 17: Voting Client Securities**

As a matter of firm policy and practice, Milinovich & Co., Inc., is hereby expressly precluded from voting for proxies. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. The custodian sends all proxy solicitations. The clients are always able to contact the firm to ask a question or set an appointment date to review the correspondence they have received to ask any and all questions they may have.

## **Item 18: Financial Information**

Registered Investment Advisors are required to provide clients with certain financial information or disclosures regarding their financial condition. Milinovich & Co., Inc., has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceedings.



## **Item 19: Requirements for State Registered Advisors**

State Registered Investment Advisors are required to identify their principal executive officer(s) and respective backgrounds.

The principal executive officer(s) and respective backgrounds of Milinovich & Co., Inc., are as follows:

### **Michael A. Milinovich, RMA<sup>®1</sup>, RICP<sup>®2</sup>**

Year of Birth – 1957

100% Shareholder

### **Education Background and Business Experience**

Asbury Theological Seminary

Master of Divinity (M Div.) – 1994

Asbury College

Bachelor of Arts: Bible – 1990

Milinovich & Co., Inc.

January 2019 – Present: President; Financial Services Director

October 2015 – December 2018: Vice President

January 2015 – Present: Investment Advisor Representative

Monongahela Valley Hospital

November 2010 – December 2014: Pension and Benefits Coordinator

First United Methodist Church, Monongahela, PA

July 2001 – December 2010: Pastor; (Retired in good standing from Denomination, 2018)

### ***Certifications and Licenses:***

RMA<sup>®1</sup> - Retirement Management Advisor<sup>®</sup> - 2018

RICP<sup>®2</sup> – Retirement Income Certified Professional<sup>®</sup> - 2015

Active FINRA Licenses: Series 65

### ***Disciplinary Information:***

Mr. M. Milinovich has not been involved in any legal or disciplinary events.

### ***Other Business Activities:***

January 2019 – Present: Community Foundation of Greene County PA – serving on Finance committee.

September 2018 – Present: Blueprints: Powered by Community Action – serving on Policy Council and Finance committee. Also volunteer facilitator of Senior Safe presentation for instructing about elder financial fraud and abuse.

Mr. M. Milinovich does not believe there are any conflicts of interest as an unpaid volunteer donating his time and skills to either of those 501(c)(3) charitable non-profit organizations.

***Additional Compensation:***

Mr. M. Milinovich does not receive economic benefits from any person or entity other than Milinovich & Co., Inc., in connection with the investment management of Milinovich & Co., Inc., clients.

***Supervision***

Michael A. Milinovich is Chief Compliance Officer and primarily responsible for the supervision of Milinovich & Co., Inc., and its IA Reps.

***Special Events for State-Registered Advisors***

Mr. M. Milinovich has never been found liable in any arbitration claim, has never been found liable in any civil, self-regulatory organization, or administrative proceeding involving an investment related business; nor has he been subject to any bankruptcy proceedings.

<sup>1</sup>The Retirement Management Advisor® (RMA®) certification is awarded by the Investments & Wealth Institute® (formerly IMCA®). It is achieved by completing three levels: I: an online course consisting of 8 modules, readings, lectures, and a progressive case study, II: the Capstone, a two-day, in-person executive education event held in conjunction with an Institute event, and III: a three-hour 100 question proctored exam covering the retirement management process. The RMA course of study prepares for advising a client, pre and post-retirement, on risk transfer, risk mitigation, retirement income and retirement allocations, all within the context of and the use of a household balance sheet. Emphasis is placed on continual evaluation of plan circumstances and making course corrections during retirement years, with a wholistic and long-view in its scope. In addition to an annual fee to continue using the certification, the professional must complete 40 hours of continuing education every two years, including 2 hours of Ethics CE.

<sup>2</sup>The Retirement Income Certified Professional® (RICP®) designation is granted through the American College of Financial Services®. It is achieved first by meeting specific qualifications to gain acceptance into the program, attending and passing three rigorous classes and maintaining continuing education credits through its Professional Recertification Program. The RICP® designation equips advisors with the knowledge to effectively manage the transition from asset accumulation during a client's working years to assist decumulation in retirement. The RICP® enables advisors to demonstrate tremendous value by delivering smart strategies for creating secure, sustainable income for a client's retirement. In addition to an annual recertification fee, the professional must complete 30 hours of continuing education every two years.