

# Parkside Advisors LLC

## Part 2A of Form ADV: Brochure

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April 14, 2020

### **Item 1: Cover Page**

This Brochure provides information about the qualifications and business practices of Parkside Advisors LLC (“Parkside”). If you have any questions about the contents of this Brochure, please contact us at 510-883-1350 and/or [info@parksideadvisors.com](mailto:info@parksideadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Parkside Advisors LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2: Material Changes**

Parkside is required to advise you of any material changes to our Brochure since the date of our last annual update, which was on March 14, 2019.

This annual updating amendment updates our Assets Under Management, updates professional biographies in Form ADV Part 2B and makes non-material edits to the existing descriptions of prior disclosures.

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

Parkside Advisors LLC ("Parkside"), formerly Grubman Wealth Management, was founded in 1996 and is owned by Charles Benziger, through his ownership of Parkside Capital Advisors LLC, and Audrey Grubman, through her ownership of Grubman Management, Inc. Parkside offers advisory services to individuals, trusts, estates, corporations and other entities.

Parkside is a fiduciary to its investment advisory clients. As a fiduciary, it is committed to providing investment management services that are in the best interest of each client, acting with the care, skill, and diligence of a prudent person acting in a like capacity. Parkside provides its services taking into consideration the investment goals and objectives, risk tolerance, financial circumstances, and needs of each client without regard to the financial or other interests of Parkside or its employees, affiliates or related parties. Parkside has a main office in Berkeley, CA and maintains a branch office in San Francisco, CA.

##### **A. Investment Management Services**

Parkside provides Investment Management Services, defined as giving continuous advice to a client, or making investments for a client, based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Parkside develops a client's investment policy and creates and manages a portfolio based on that policy. Each portfolio is designed with reference to each client's individual financial objectives and income tax considerations.

Parkside manages portfolios on a discretionary basis. Our portfolio strategies typically incorporate a diversified global asset allocation strategy utilizing index-linked exchange-traded funds or mutual funds. Asset allocations are based on a benchmark portfolio with a historical rate of return and volatility or standard deviation. The benchmark portfolio for each client is determined by a financial plan developed by Parkside with the client, or through discussions about risk and historical returns of the various asset classes in the benchmark portfolios referenced in Parkside's portfolio construction. A benchmark portfolio with a particular historical rate of return and volatility or standard deviation is chosen by the client to be referenced by Parkside in the construction and management of the client's portfolio. Fund selections typically include low-fee, no-load mutual funds, exchange-traded funds, and funds offered by Dimensional Fund Advisors ("DFA"). DFA provides institutions and qualified independent advisers, including Parkside, with a large selection of index-linked mutual funds to invest in most of the major asset classes and subclasses, with lower than average fund expenses. For certain clients, portfolios will also include individual securities, such as stocks and bonds.

As of December 31, 2019, Parkside managed \$461,837,025 on behalf of 194 clients.

##### **B. Financial Planning Services**

Parkside provides comprehensive financial planning and advice concerning various aspects of personal finance, including stock option planning, tax planning, debt and cash management, retirement planning, investment management, insurance needs and estate planning.

Clients begin by describing their specific objectives, financial expectations, cash flow needs, specific concerns, and providing financial data to Parkside through an information organizer. Parkside reviews this information and develops a draft financial plan. The draft financial plan includes assumptions such as investment returns and volatility, income taxes and inflation rates. Parkside and the client then meet to review the assumptions and projections in detail, agree on revisions and "what-if" scenarios. Scenarios are developed to address each client's specific concerns (or Parkside's concerns about the client's plan, e.g., if investment returns are lower than assumed, or if the client's spending increases.) Parkside and the client review the assumptions and projections to identify revisions to be made to the draft financial plan. Parkside incorporates the revisions into a final financial plan and develops an action plan with the client to implement the financial plan recommendations.

### C. Tax Planning

Parkside's tax planning services include reviewing a client's financial and tax situation to help the client consider ways they may be able to reduce their tax liabilities or increase their tax deferral opportunities. The process typically involves Parkside reviewing a client's recently filed tax returns and then discussing the results of the review, including possible recommendations or action items for the client to consider.

### Item 5: Fees and Compensation

Parkside's standard annual fee for its services is based on a percentage of assets under management. Fees are billed in arrears each calendar quarter based on the portfolio value at the end of the quarter. Parkside's annual fee schedule scales as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 to \$2,500,000	0.90%
\$2,500,001 to \$5,000,000	0.75%
Over \$5,000,000	0.45%

Depending upon the circumstances of the engagement and the nature and complexity of the portfolio, Parkside may negotiate a management fee different from the above schedule.

Parkside typically works with clients with investment assets of \$2.0 million or more, although the firm may begin working with some clients at lower asset levels.

The first quarter's fee for a new client is prorated for the number of days in the quarter that the assets were managed, beginning the day of initial funding of the account(s). Parkside may, at its discretion, waive the first prorated fee. If a client terminates the investment management agreement with Parkside in the middle of a billing period, the final invoice will be prorated for the number of days that the account was managed. Parkside has up to 30 days to complete the termination process.

Clients authorize Parkside to deduct the quarterly investment management fee automatically from their managed accounts at the custodian.

In addition to Parkside's investment management fees, clients bear any applicable trading costs and/or custodial fees. To the extent that clients' accounts are invested in mutual funds and exchange-traded funds, these funds charge a separate layer of management, trading, and administrative expenses. These fees and expenses are described in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Parkside's fee. Parkside does not receive any portion of these commissions, fees, or expenses.

Item 12 further describes the factors that Parkside considers in selecting or recommending broker/dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Parkside is compensated solely by fees paid by its clients and does not accept commissions or compensation from any other source (e.g. mutual funds, insurance products, other investment products, or referrals).

Parkside charges an assets under management-based fee. As a result, Parkside's recommendation to bring assets under its management or to keep them under management creates a conflict of interest with the client. Parkside acts as a fiduciary in making any such recommendation. It always considers the client's facts and circumstances in determining whether the advice would be in the client's best interests.

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

Parkside provides Investment Management Services, Financial Planning Services, and Tax Planning Services as described above. These services are provided on an account-by-account basis and are provided to individual account holders as described below. Parkside does not have financial arrangements with any account holders that provide a financial incentive to favor one account over any other managed account.

Parkside does not charge performance-based fees.

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

Parkside primarily provides investment management services to individuals, high-net-worth individuals, and corporations, as well as to their associated trusts and estates.

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

Parkside has an Investment Management Committee. Parkside's Investment Management Committee works together to conduct analysis of all securities recommended for client accounts. This analysis varies depending on the security in question.

Portfolios utilized by Parkside are based on a benchmark portfolio with a historical rate of return and volatility or standard deviation. The benchmark portfolio referenced for each client is determined by a financial plan developed by Parkside with the client, or through discussions about risk and historical returns of the various asset classes in the benchmark portfolios referenced in Parkside's portfolio construction. A benchmark portfolio with a particular historical rate of return and volatility or standard deviation is chosen by the client to be referenced by Parkside in the construction and management of the client's portfolio. There is no guarantee that the portfolio constructed by Parkside for the client based on the benchmark portfolio will perform in the future as the benchmark portfolio has performed historically.

The analysis of the various assets utilized in the portfolios and investments managed by Parkside is dependent on the characteristics of those assets.

For mutual funds and ETFs the analysis generally includes a review of:

- The fund's historical risk and return characteristics;
- The fund's associated benchmark;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

For client accounts in which we recommend holding individual stocks our analysis generally includes a review of the company's quarterly and annual reports that include earnings, cash flow and balance sheet trends, the stock's relative valuation in the market, and additional factors considered relevant.

For client accounts in which we recommend holding individual bonds our analysis generally includes a review of the credit ratings issued by industry credit rating agencies, such as S&P and Moody's, the structure, yield and duration of the issue, and additional factors considered relevant.

Certain clients may invest in stock options. Typically, stock option investments can be made to hedge a concentrated stock position, for investment purposes or for downside protection. Options strategies may involve an additional degree of risk and are only implemented after discussion with the client and they are deemed to be consistent with the clients' stated objectives, financial profile, tolerance for risk and overall investment plan.

Margin borrowing will not be used for investment leverage purposes, unless the client specifically directs Parkside to do so. Parkside may occasionally purchase securities using margin borrowing to avoid waiting for sales to settle before making purchases. Parkside also may take short positions in exchange traded funds or individual securities for certain client portfolios where the client directs Parkside to do so. Managing short positions for client portfolios require that those accounts maintain a margin account with the custodian.

Risk of loss: Investing in securities involves risk of loss that clients should be prepared to bear. While the stock or bond markets may increase and a client's account(s) could increase in value, it is also possible that the stock or bond markets may decrease and a client's account(s) could decrease in value below the amount originally invested and suffer a loss. It is important that clients understand the risks associated with investing in the stock and bond markets and ask Parkside any questions they may have.

Some risks associated with Parkside's investment strategy are:

- Market risk: the risk that large-scale events will negatively affect the economy and the stock market.
- Small company risk: small companies are often less liquid than large companies. As a result, small company stocks and the funds that invest in them may fluctuate relatively more in price.
- Concentration risk: exposure to individual stock positions may cause a loss of investment due to specific company risks, such as fraud, lawsuits, shift in consumer preferences, etc. The implementation of an asset-allocation investment strategy in broad based index funds limits individual stock exposure (i.e. concentration risk); however under specific client circumstances, we may hold individual options, stocks or bonds, which may lose value. Parkside may use Stop Loss orders to limit downside risk.
- Foreign and emerging markets risk: legal, political, or diplomatic actions of foreign governments could adversely affect the value of an investment, as could changes in the values of foreign currencies relative to the U.S. dollar.
- Currency risk: changes in the values foreign currencies relative to the U.S. dollar will affect the value of investments in U.S. dollar terms. International equity funds may utilize forward currency contracts to minimize these changes, but in general, Parkside does not hedge international investments to protect against currency risk.
- Interest rate risk: if interest rates rise, the value of most bonds will fall.
- Credit risk: the possibility that a bond issuer will default, which could lead to a downgrade in the credit rating of a bond and may cause the value of the bond to decrease.

## **Item 9: Disciplinary Information**

Neither Parkside nor its employees have been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

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

Parkside's primary business is wealth management, of which investment management is a major component. Parkside offers integrated financial planning, investment management and tax planning services.

Parkside and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Parkside has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires Parkside and its employees to act in clients' best interests, with honesty, integrity and professionalism, and to abide by all applicable regulations. The Code of Ethics requires employees to preserve the confidentiality of client information, to avoid even the appearance of insider trading, to disclose any potential conflicts of interest and to pre-clear and regularly report on many types of personal securities transactions. Parkside's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household.

Parkside's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jill Martin, Chief Compliance Officer of Parkside at (510) 883-1350. Parkside's Code of Ethics is also available at [www.parksideadvisors.com](http://www.parksideadvisors.com).

## **Item 12: Brokerage Practices**

Parkside will not take physical possession or control of any client assets at any time. Parkside recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co. ("Schwab"), the Fidelity Institutional division of Fidelity Investments ("Fidelity") or the Institutional Division of TD Ameritrade ("TDAI"). Clients may choose Fidelity, Schwab or TDAI as custodian and broker/dealer of their accounts. Parkside is independently owned and operated and not affiliated with Fidelity, Schwab or TDAI.

If the client has executed a Prime Brokerage Agreement with the custodian, Parkside may execute fixed income transactions with a broker/dealer other than the custodian of their accounts. Parkside may use a broker other than Fidelity, Schwab or TDAI for purchases and sales of fixed income securities in order to access a wider range of securities or to obtain better prices for the client.

Fidelity, Schwab and TDAI generally are compensated by account holders through commissions or other transaction-related fees for securities trades executed through Fidelity, Schwab or TDAI, or that settle into Fidelity, Schwab or TDAI. Fidelity, Schwab and TDAI are also compensated by management fees and administrative fees charged to clients with investments in Fidelity, Schwab and TDAI's proprietary mutual funds and money market mutual funds. Fidelity, Schwab and TDAI may charge mutual funds "shelf space" fees which enable those funds to be offered for purchase through Fidelity, Schwab and TDAI.

Parkside does not participate in any transaction fees charged by, or commissions paid to, the broker/dealer or custodian. Parkside does not receive any fees, or commissions or other compensation for opening or maintaining client accounts.

Commission rates are generally set by the broker.

### **Best Execution**

Parkside has sought to make a good-faith determination that Fidelity, Schwab, TDAI and other chosen trading counterparties provide clients with good services at competitive prices. Fidelity, Schwab and TDAI are discount brokers who charge relatively low commission fees. Parkside would notify its clients if it were to determine that another firm offered better pricing and services than Fidelity, Schwab or TDAI.

### **Soft Dollar Benefits**

Parkside Advisors LLC is not a party to any formal soft dollar arrangements. Parkside receives certain products and services from Fidelity, Schwab and TDAI free of charge or at discounted rates. Schwab, Fidelity and TDAI provide Parkside with access to their institutional trading and custody services. Schwab, Fidelity and TDAI may additionally provide access to some mutual funds that would not be available through Schwab or Fidelity's retail divisions, or would have higher transaction fees if traded through the retail divisions. The provision of any of these products and services is not contingent upon Parkside having any specific amount of assets in custody, other than the minimums required to establish an institutional relationship with the custodians (\$10 million with Schwab, \$30 million with Fidelity), or any volume or frequency of trading.

These products and services include:

- Software and other technology that provide access to client account data;
- Access to an electronic network for order entry, including the simultaneous entry of trades for multiple client accounts;
- Pricing information;
- The receipt of duplicate client trade confirmations, statements, and tax forms;
- Direct advisory fee debiting capabilities;
- Access to market and industry research; and
- Access to industry seminars and events.

Schwab, Fidelity and TDAI also make available to Parkside other services intended to help Parkside manage and develop its business enterprise, such as consulting, publications, and conferences on practice management, information technology, regulatory compliance and marketing. Schwab, Fidelity and TDAI may make available, arrange, provide a discount for and/or pay for these types of services provided by independent third parties.

Parkside endeavors to act in each of its client's best interest. However, Parkside's requirement that clients maintain their assets in accounts at Schwab, Fidelity or TDAI may be based in part on the benefit to Parkside of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, Fidelity and TDAI, which creates a conflict of interest.

### **Aggregated Trades**

When purchasing the same security for more than one client account, Parkside may aggregate orders to provide the same average price and trading costs as if the securities were purchased individually. The custodian then allocates trades to individual client accounts.

### **Directed Brokerage**

Certain clients may direct Parkside to use a specific custodian or broker/dealer for one or more of their accounts, for example an employer's retirement plan account that cannot be transferred to Fidelity or Schwab's institutional divisions. In such cases, Parkside's ability to achieve best execution may be eliminated. Directing brokerage may cost clients more money.

Parkside reserves the right to decline acceptance of any client account that directs the use of a custodian or broker other than Schwab, Fidelity or TDAI if Parkside believes that the broker/dealer would adversely affect Parkside's fiduciary duty to the client and/or ability to effectively service the client's portfolio.



**Client Referrals**

Parkside does not receive any client referrals from Fidelity, Schwab or TDAI, or any other custodian or broker/dealer.

**Item 13: Review of Accounts**

All accounts are reviewed at least semi-annually by one or more members of the Investment Management Committee to confirm that clients' investments are consistent with their Investment Policy Statements and with Parkside's investment models.

Reviews include a comparison of the portfolio's performance to appropriate benchmarks. If performance deviates materially from the relevant benchmark, the reason for such deviation is determined to ensure the portfolio is properly managed.

Clients receive a quarterly statement from Parkside which includes a listing of all investment holdings in the managed portfolio, current market valuations, performance calculations, allocation proportions, and performance evaluation relative to standard investment benchmarks. Parkside's quarterly statements are transmitted electronically unless a paper copy has been requested by the client. Clients also receive regular statements from the custodians of their individual accounts, typically monthly, and may elect to receive these statements electronically or via U.S. Mail.

Parkside recommends updates to the client's financial plan if circumstances warrant. Financial Planning services are rendered upon the client's request.

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

Other than the previously described products and services that Parkside receives from Fidelity, Schwab and TDAI, Parkside does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Parkside does not use solicitors to obtain clients, and does not pay any client referral fees.

Many of Parkside's existing clients refer new clients to the firm. On occasion, Parkside may thank an existing client for a referral by means of a modest thank you gift.

**Item 15: Custody**

All clients' accounts are held by unaffiliated broker/dealers or banks, but Parkside can access clients' accounts through its ability to debit advisory fees. Account custodians send statements directly to the account owners on at least a quarterly basis. Parkside urges clients to carefully review these statements and compare them to the quarterly statements provided by Parkside. Note however that Parkside's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methods for certain securities.

**Item 16: Investment Discretion**

Parkside has investment discretion over all clients' accounts. Clients grant Parkside trading discretion through the execution of a limited power of attorney included in Parkside's advisory contract.

Clients can place reasonable restrictions on Parkside's investment discretion. For example, some clients have placed restrictions on the use of margin, options, and/or short sales, or have asked Parkside not to sell certain securities in their account.

**Item 17: Voting Client Securities**

Parkside does not vote proxies on behalf of its clients. Parkside and/or the client will instruct each custodian to send all proxies and shareholder communications directly to the client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios, and for making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other events pertaining to the client's investment assets.

**Item 18: Financial Information**

Parkside has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

# Parkside Advisors LLC

## Part 2B of Form ADV: Brochure Supplement

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April 14, 2020

This Brochure Supplement provides information about Charles Benziger and Audrey Grubman. It supplements Parkside's accompanying Form ADV brochure. Please contact Jill Martin, Chief Compliance Officer, at 510-883-1350 if you have any questions about the contents of this supplement.

Additional information about Charles Benziger and Audrey Grubman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Charles Benziger's Biographical Information**

### Educational Background and Business Experience

Charles Benziger was born in 1970. He received a BA in English from Georgetown University in 1992 and an MBA in Finance and Accounting from Northwestern University's Kellogg School of Management in 1998. He is a Managing Principal at Parkside.

Mr. Benziger was the Managing Member of Parkside Capital Advisors LLC which he founded in 2013 and merged with Parkside Advisors LLC, formerly Grubman Wealth Management, in 2018. Prior to that he was an analyst and portfolio manager at Citadel LLC and Galleon Group and an analyst at SAC Capital Advisors and Perry Capital.

### Disciplinary Information

Mr. Benziger has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Benziger or Parkside.

### Other Business Activities

Parkside's primary business is wealth management, of which investment management is a major component. Parkside offers integrated financial planning, tax planning, and investment management services.

Mr. Benziger does not receive any compensation in connection with any business activity outside of Parkside.

### Additional Compensation

Mr. Benziger does not receive economic benefits from any person or entity other than Parkside in connection with the provision of investment advice to clients.

### Supervision

As Parkside's Managing Principal, Mr. Benziger maintains the ultimate responsibility for the company's operations. Mr. Benziger makes investment decisions working jointly with other members of the Investment Management Committee. Operational decisions are discussed with Parkside's Chief Operations Officer, Jill Martin. These individuals can be reached by calling the telephone number on the cover of this brochure supplement.

## **Audrey Grubman's Biographical Information**

### Educational Background and Business Experience

Audrey Grubman was born in 1957. She attended Northeastern University from 1975-1976, and the Massachusetts Institute of Technology from 1976-1978. Ms. Grubman founded Grubman Wealth Management and served as its President from 1996 until 2018 when the company became Parkside Advisors LLC ("Parkside"). She is a Managing Principal of Parkside.

She earned a Certification in Personal Financial Planning in 1998. The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and several other countries for its: (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® mark, an individual must complete an advanced college-level course of study that includes the following subject areas: insurance planning; risk management; employee benefits planning; investment planning; income tax planning; retirement planning; and estate planning. The individual must then pass the comprehensive CFP® Certification Examination, complete at least three years of full-time financial planning experience, agree to be bound by the CFP Board's Standards of Professional Conduct, and complete 30 hours of continuing education every two years.

### Disciplinary Information

Ms. Grubman has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Ms. Grubman or Parkside.

### Other Business Activities

Parkside's primary business is wealth management, of which investment management is a major component. Parkside offers integrated financial planning, tax planning, and investment management services.

Ms. Grubman does not receive any compensation in connection with any business activity outside of Parkside.

### Additional Compensation

Ms. Grubman does not receive economic benefits from any person or entity other than Parkside in connection with the provision of investment advice to clients.

### Supervision

As Parkside's Managing Principal, Ms. Grubman maintains the ultimate responsibility for the company's operations. Ms. Grubman makes investment decisions working jointly with other members of the Investment Management Committee. Operational decisions are discussed with Parkside's Chief Operations Officer, Jill Martin. These individuals can be reached by calling the telephone number on the cover of this brochure supplement.