

## **Item 1 - Cover Page**

Macro Financial Advisors, Inc.  
2935 Pine Lake Road, Suite F  
Lincoln, NE 68516  
(402) 420-2233

Date of Brochure: 03/31/11

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This brochure provides information about the qualifications and business practices of Macro Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (402) 420-2233. 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 Macro Financial Advisors, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view information on this website by searching for Macro Financial Advisors, Inc.'s name or by using its CRD number: 127586.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (SEC) published “Amendments to Form ADV” which amended the disclosure document provided to clients as required by SEC rules. This Disclosure Brochure, dated above, is a new document prepared according to new SEC requirements and rules. As such, this document is materially different in structure and requires certain new information that the previous Form ADV Part II and Schedule F for Macro Financial Advisors, Inc. did not require. In the future, this item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. Macro Financial Advisors, Inc. will also reference the date of its last annual update of the brochure.

In the past, Macro Financial Advisors, Inc. has offered or delivered information about the firm’s qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, the firm will ensure that clients receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after the firm’s fiscal year end—December 31. This means clients will receive the summary of material changes no later than April 30 each year. At that time, Macro Financial Advisors, Inc. will also offer a copy of its most current Disclosure Brochure and may also provide other ongoing disclosure information about material changes as necessary.

Macro Financial Advisors, Inc. moved to 2935 Pine Lake Road, Suite F. Lincoln, NE 68516 from 8525 Executive Woods Drive, Lincoln, NE 68512 due to construction issues with the prior building.

Clients and prospective clients can always receive the most current Disclosure Brochure for Macro Financial Advisors, Inc. at any time by contacting Mark D. Spiers at (402) 420-2233 or [mspiers@mfadv.com](mailto:mspiers@mfadv.com).

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## **Item 4 – Advisory Business**

### **Ownership**

Macro Financial Advisors, Inc. (“Advisor”) is an investment advisor registered with the U.S. Securities and Exchange Commission. Advisor has been doing business since January, 2001. Advisor is a corporation formed under the laws of the State of Nebraska. Owen T. Stewart is the sole owner of Advisor.

### **General Description of Primary Advisory Services**

Advisor offers personalized financial planning, consultation services and portfolio management services. The following are brief descriptions of Advisor’s primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients can review the services and description of fees more thoroughly.

#### ***Financial Plans and Consultations***

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

Advisor offers financial planning services in the form of comprehensive and modular (segmented) financial plans. These services do not involve actively managing client accounts. Instead, comprehensive planning services focus on a client’s overall financial situation. Modular planning services focus on one or more specific areas of client concern.

Advisor offers consulting services that focus on a specific area of client concern. Advisor also offers financial and investment consultations on accounts not managed or maintained by Advisor. Financial and investment services are provided only to accounts where an associated person of Advisor is *not* the investment advisor representative on the account.

#### ***Portfolio Management Services***

Advisor offers both individually designed and standardized investment portfolio management services. With individually designed services, portfolios are designed based a client’s particular circumstances. With standardized investment services, Advisor designs portfolios using industry criteria and models to meet client goals (e.g., aggressive growth, growth and income, balanced etc.). Clients elect to have all or a portion of their investments in one or more of the designed portfolios. Whether clients receive individually designed or standardized investment services, Advisor provides continuous and on-going supervision over client accounts. This means that Advisor will continuously monitor a client’s account and make trades in that account when necessary.

#### ***Specialization***

Advisor does not hold itself out as specializing in one particular type of advisory service.

### ***Limits Advice to Certain Types of Investments.***

Advisor limits its investment advice to the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Interests in partnerships involving real estate and involving oil and gas interests

In addition to the above investments, Advisor also provides advice on miscellaneous dividend participating programs, tax credit programs and structured products. Equity linked CDs, principal protected notes and partially principal protected notes are currently being researched and offered. Equity linked CDs tend to be less liquid than stocks and bonds, but allow investors to participate in the growth potential of equities while offering the safety of principal if held to maturity. Many equity linked CDs offer FDIC insurance (up to its limits), survivor's options and versatility of the equities and/or indexes to which it is linked. Equity linked CDs are intended to be purchased and held until their maturity (e.g., 3yrs, 5yrs, 7yrs).

Principal protected notes and partially principal protected notes do not typically have FDIC insurance and carry credit risk of the issuer of the note. In addition, these notes may subject some of the principal to risk to achieve more participation in the underlying assets. The underlying asset may be an index, a basket of stocks or a basket of commodities and may have the ability to provide exposure across various asset categories.

### **Tailor Advice or Services to Individual Needs of Clients**

Advisor's services are always provided based on the specific needs of the individual client. Clients are given the ability to impose restrictions on their accounts, including specific investment selections and sectors. However, Advisor will not enter into an investment advisor relationship with a client whose investment objectives are considered incompatible with Advisor's investment philosophy, strategies, or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Wrap-Fee Program versus Portfolio Management Program**

In traditional portfolio management programs, advisory services are provided for a fee but transaction costs, custodial fees, and mutual fund expenses are incurred separately at the custodian. In wrap-fee programs, advisory services and transaction services are provided for one fee. Advisor does not act as a portfolio manager of or sponsor wrap fee programs.

### **Client Assets Managed by Advisor**

These are the assets under management as reported on Form ADV Part 1A, Item 5F. The amount of clients assets managed by Advisor totaled \$ 29,232,345 as of December 31, 2010, with \$29,232,345 managed on a discretionary basis and \$\_\_\_\_0\_\_\_\_ managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

In addition to the information provide in **Item 4, Advisory Business**, this section provides details regarding Advisor's services along with descriptions of each service's fees and compensation arrangements.

### **Financial Planning Services**

Advisor offers financial planning services by offering analyses and recommendations in areas including, but not limited to:

- Personal: family records, budgeting, personal liability, estate information and financial goals and dreams.
- Tax and Cash Flow: income tax and spending analysis and planning for past, current and future years. Advisor may illustrate the impact of various investments on the client's current income tax and future tax liability.
- Death and Disability: cash needs at death, income needs of surviving dependents, estate planning and retirement goals
- Investments: analysis of investment alternatives and their effect of the client's portfolio

**Advisor's services do not include legal or tax advice.** Advisor's investment advisor representatives ("representatives") conduct in-depth personal interviews with clients and gather information about the client's current financial status, future goals and attitudes towards risk. The representatives also gather and review related documents such as tax returns, insurance policies, budgets and investment statements. Clients also complete an informational questionnaire.

Advisor and its representatives rely on the information provided by clients. Therefore, it is very important that the information provided by clients is complete and accurate. Advisor and its representatives are not responsible for verifying the information supplied by clients. Clients are also urged to work closely with their attorney, accountant or other professionals regarding their financial and personal situation.

After completing a review and analysis of the information and documents received, the representatives develop their analyses and recommendations and present a written or oral report that can be either comprehensive or modular (segmented). A comprehensive plan focuses on a client's overall financial situation and covers several of the areas previously noted, as needed by client's specific situation. A modular (segmented) plan focuses only on one or more specific areas of client concern, and clients should be aware that other important issues may not be taken into consideration when Advisor's representatives develop their analyses and recommendations. Oral reports may also include advice in developing the best course of action on issues going beyond a specific area of client concern. All of Advisor's recommendations are generic in nature. This means they are not limited to any specific product or service offered by the financial services industry. If a client is not satisfied with the final planning document, Advisor will attempt to rewrite the document to the client's satisfaction. No fee is charged if the document cannot be rewritten to the client's satisfaction and the client returns all documents prepared and provided by Advisor.

Fees for financial planning services can be billed on an hourly or fixed fee basis. In most instances, clients choose to implement the entire plan, or parts of it, through Advisor, and/or one of its affiliates and the entire fee is waived. For those who chose to implement elsewhere, the hourly fees range from \$75 to \$250 per hour while fixed fees range from \$500 to \$2,500. The hourly fee or fixed fee is determined and disclosed to clients prior to services being provided. Fees are negotiable based on the nature and complexity of each client's circumstances. There is a minimum charge of \$250 if services are billed at an hourly rate and a minimum charge of \$500 if billed as a fixed fee, although these minimums are also negotiable. Advisor's representatives disclose the fees to clients before any services are provided. Fees

are due when Advisor presents the completed plan to client. Please see **Item 10, Other Financial Activities and Affiliations**, for additional discussion on Advisor's affiliates, and see the discussion on Advisor's Portfolio Management Services later in this section.

Clients have sole discretion whether or not to contract for Advisor's services. In addition, clients have sole discretion whether or not to implement any financial planning recommendations made by Advisor's representatives. If clients do decide to implement the recommendations, they are responsible for taking any actions or implementing any transactions required. They are free to select any broker/dealer and/or insurance agent to implement the recommendations.

Clients should be aware that some of Advisor's representatives are licensed insurance agents and may recommend using Macro Financial Concepts, Inc., an affiliated insurance agency that has contracts with numerous insurance companies. If clients elect to follow Advisor's recommendations regarding insurance products, and select one of Advisor's representatives to implement the recommendations, both the representative and Macro Financial Concepts, Inc. could receive commissions. This is a potential conflict of interest since the representative could earn advisory fees in his or her capacity as an investment advisor representative and could also earn commissions on insurance products sold in his or her capacity as an independently licensed insurance agent. It is also a potential conflict because of the affiliation between Advisor and Macro Financial Concepts, Inc. Please see **Item 10, Other Financial Activities and Affiliations**, for additional discussion on this conflict of interest.

If clients implement Advisor's recommendations and select its representatives to implement insurance transactions, Advisor may waive or reduce the financial planning fees charged as a result of the insurance commission received. In addition, clients may elect to implement Advisor's recommendations by through one or more of the other advisory programs disclosed in this brochure. In this case, Advisor may waive or reduce the amount of the financial planning fee as a result of additional ongoing fees being earned. In most instances, clients choose to implement the entire plan, or parts of it, through Advisor, and/or one of its affiliates and the entire fee is waived. Any reduction will not exceed 100% of the commission received. Reductions to financial planning fees as a result of insurance commissions or additional advisory fees received are disclosed to clients prior to any transactions being implemented or any additional services being contracted for.

Financial planning services may be terminated by either party at any time by providing written notice to all appropriate parties. If services are terminated within five business days of signing the client agreement, services are terminated without penalty and no fees are due. After the initial five business days, termination is effective upon receipt of notice and clients are responsible for Advisor's time and effort expended to the date of termination. In this case, Advisor provides an invoice to client detailing the services provided, fees earned and fees due from client. If the plan has been presented but a client requests a rewrite and Advisor cannot do so to the client's satisfaction, the client can return all documents prepared and provided by Advisor. In this case, no fee is charged and Advisor will refund all fees that may have been paid after the plan was presented. Financial planning services terminate upon presentation of the requested plan to the client.

### **Consultation Services**

Advisor offers consulting services on one or more specific areas of concern to clients, and these consultations can be a one-time event or involve several meetings. Fees for consulting services are billed at an hourly rate of \$75 to \$250 per hour, negotiable based on the complexity of the client's situation and the consulting services requested. The negotiated fee will be disclosed to the client prior to any services being provided. There is a minimum fee of \$250, but a lower fee may be negotiated depending on circumstances (such as implementing the advice through Advisor and/or one of its affiliates). Fees are due upon completion of the consultations or later if billed by Advisor.

Clients have sole discretion whether or not to contract for Advisor's services. In addition, clients have sole discretion whether or not to implement any advice or recommendations made by Advisor's

representatives. If clients do decide to implement the recommendations, they are responsible for taking any actions or implementing any transactions required. They are free to select any broker/dealer and/or insurance agent to implement the recommendations.

Clients should be aware that some of Advisor's representatives are licensed insurance agents and may recommend using Macro Financial Concepts, Inc., an affiliated insurance agency that has contracts with numerous insurance companies. If clients elect to follow Advisor's recommendations regarding insurance products, and select one of Advisor's representatives to implement the recommendations, both the representative and Macro Financial Concepts, Inc. could receive commissions. This is a potential conflict of interest since the representative could earn advisory fees in his or her capacity as an investment advisor representative and could also earn commissions on insurance products sold in his or her capacity as an independently licensed insurance agent. It is also a conflict because of the affiliation between Advisor and Macro Financial Concepts, Inc. Please see **Item 10, Other Financial Activities and Affiliations**, for additional discussion on this conflict of interest.

If clients implement Advisor's recommendations and select its representatives to implement insurance transactions, Advisor may waive or reduce the consultation fees charged as a result of the insurance commission received. In addition, clients may elect to implement Advisor's recommendations through one or more of the other advisory programs disclosed in this brochure. In this case, Advisor may waive or reduce the amount of the consultation fee as a result of additional ongoing fees being earned. Any reduction will not exceed 100% of the commission received. Reductions to consultation fees as a result of insurance commissions or additional advisory fees received are disclosed to clients prior to any transactions being implemented or any additional services being contracted for.

Services terminate upon presentation of the requested consultations. However, for ongoing consultations, services may be terminated by either party at any time by providing written notice to all appropriate parties. If services are terminated within five business days of signing the client agreement, services are terminated without penalty and no fees are due. After the initial five business days, termination is effective upon receipt of notice and clients are responsible for Advisor's time and effort expended to the date of termination. In this case, Advisor provides an invoice to client detailing the services provided, fees earned and fees due from client.

### **Account and Portfolio Consultations**

Advisor occasionally offers financial and investment consultations on accounts not managed or maintained by it. Only accounts in which a representative of Advisor is *not* the advisor of record on the account are eligible for this service. These accounts include, but are not limited to, 401(k) accounts not held by Advisor. If clients elect to implement Advisor's recommendations, they are responsible for all account transactions. Advisor and its representatives do not have access to a client's funds, securities or account(s) and so do not have authority to rebalance, reallocate or trade in the client's account. The representatives analyze an account relative to the client's specific needs and desires for future financial goals and/or objectives. The representatives give either general or specific recommendations, as requested by the client.

Account consultations can be a one-time event or ongoing services occurring quarterly or, if desired more frequently. Fees charged for portfolio consultations can be billed at an hourly rate, as a fixed fee or on an asset-based fee basis. Fees charged on an hourly rate range from \$75 to \$250 per hour while fixed fees range from \$500 to \$2,500. If charged as an asset-based amount, the maximum fee does not exceed 2.5% of the total assets in the account(s) reviewed and analyzed. All fees are negotiable based on the nature and complexity of the client's financial circumstances. Asset-based fees are payable quarterly, or semi-annually. Fees for a one-time portfolio consultation are due upon completion of the consultation. Ongoing consultations are due upon client receiving a billing statement from Advisor after the consultation.

Account and portfolio consultation services terminate upon presentation of the requested consultations, whether one-time or ongoing. However, services may be terminated by either party at any time by providing written notice to all appropriate parties. If services are terminated within five business days of signing the client agreement, services are terminated without penalty and no fees are due. After the initial five business days, termination is effective upon receipt of notice and clients are responsible for Advisor's time and effort expended to the date of termination. In this case, Advisor provides an invoice to client detailing the services provided, fees earned and fees due from client.

### **Individually Designed Portfolio Management Services**

Advisor occasionally offers portfolio management services that include giving continuous investment advice and/or making investments for the client based on the individual needs, goals and objectives of the client. Clients can include individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations. Through personal discussions and analysis, Advisor's representatives develop a personal investment policy for the client and create an individually designed investment portfolio based on that policy.

Management services are provided on either a discretionary or non-discretionary basis. If provided on a discretionary basis, Advisor makes all decisions to buy, sell or hold securities, cash or other investments in the managed account in Advisor's sole discretion without consulting with the client before making any transactions. Clients must provide Advisor with written authorization to exercise this discretionary authority, and they can place reasonable restrictions and limitations on the discretionary authority. If asset management services are provided on a non-discretionary basis, the Advisor always contacts the client before implementing any transactions in an account. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority. Account supervision is guided by the stated objectives of the client (i.e., aggressive growth, growth, growth and income, balanced, and current income).

Advisor requires a minimum of \$75,000 to establish and maintain an individually designed managed account, although in some instances the minimum account size may be negotiated.

Advisor's representatives assist the client in establishing a managed account(s) through a qualified custodian. The qualified custodian maintains custody of all client funds and securities. Advisor does not act as custodian and does not have access to client funds and securities except to have advisory fees deducted from the account with prior written authorization. Advisor participates in the Fidelity Institutional Wealth Services (Fidelity) program sponsored by Fidelity Brokerage Services, Inc., a FINRA registered broker/dealer. Advisor generally recommends that clients maintain their managed account assets at Fidelity. However, depending on each client's circumstances, Advisor may recommend the use of another broker/dealer as long as Advisor can meet its fiduciary duty of best execution. Clients are always free to select any account custodian they wish. If clients direct Advisor to use a particular broker/dealer, they should be aware that Advisor does not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. There may also be a disparity in commissions charged to clients. Advisor may not accept an account if the client directs Advisor to use a broker/dealer that Advisor believes would hinder its ability to manage that account. See **Item 12, Brokerage Practices**, for additional discussion on Advisor's recommendation and use of Fidelity.

Advisor charges for portfolio management services based on a percentage of assets under management. The fee is 2.5% per year, billed quarterly in arrears and calculated on the average daily balance of the client's account for the previous quarter. If an agreement for services is executed mid-period, the initial fee will be prorated based on the number of days services were provided during the first billing period. In addition, Advisor will prorate any additions or withdrawals to the account during a billing period. (In other words, if the client deposits or withdraws funds or securities from a managed account during any billing period, the fee on that position will only be charged for the number of days services were actually provided on that position).

Fees are normally deducted from a client's account and the client must provide the account custodian with written authorization to have fees deducted from the account and paid directly to Advisor. Advisor sends the client a fee billing notice showing the amount of the fee to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any adjustments. Clients should review account statements received from their account custodian and verify that appropriate advisory fees are being deducted. In limited cases, Advisor will bill the clients directly, upon request, and will send a quarterly billing statement directly to the client. Fees are due and payable upon client receiving that billing notice.

Clients may be charged fees by other parties in connection with the investment advice provided by Advisor. These other fees may include brokerage commissions and/or transaction fees charged by the client's custodian. In addition, clients may incur certain charges imposed by third parties other than Advisor in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees, contingent deferred sales charges and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Advisor's management fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to the client. A description of these fees and expenses are available in each security prospectus.

Clients should be aware that they can invest in some mutual funds directly, without the services of Advisor. But in this case, they would not receive the services provided by Advisor that are designed to, among other things, assist clients in determining which mutual funds are more appropriate to their financial condition and objectives. Accordingly, clients should review both the fees charged by the mutual fund(s) and Advisor to fully understand the total fees that clients will pay.

Portfolio management services may be terminated by either party at any time by providing written notice to all appropriate parties. If services are terminated within five business days of signing the client agreement, services are terminated without penalty and no fees are due. After the initial five business days, termination is effective 30 days after receiving notice and clients are responsible for Advisor's time and effort expended to the date of termination. Advisor provides an invoice to clients detailing the services provided, prorated fees earned and fees due from client.

Clients should be aware that management services billed as a percentage of assets managed could still lead to potential conflicts of interest between Advisor and clients. For example, conflicts could arise relating to financial decisions in life such as incurring or paying down debt; gifting to charities or individuals; purchasing a home, car or other non-investment assets; purchasing a lifetime immediate annuity; travel or other expenditures; investments in private equity programs (private real estate ventures, closely held businesses, etc.); and placing funds in non-managed cash reserve accounts. Advisor's goal is that its recommendations are always made with the best interests of its clients in mind, disregarding any impact the decision has on Advisor.

## **Standardized Investment Portfolio Management Services**

Advisor usually offers management services through portfolios designed using industry established criteria and models to meet particular investment goals (i.e., aggressive growth, growth, growth and income, balance and current income). Depending upon their stated objectives and Advisor's recommendations, clients can elect to have all or a portion of their investment placed in one or more portfolios. Each client account is customized to fit the individual needs of the client. Once the appropriate portfolios have been determined, they are continuously managed by Advisor based on the portfolios' goals.

Advisor ensures the following conditions are met and maintained:

- Advisor manages each client's account on the basis of the client's financial situation, investment objectives and reasonable investment restrictions the client may impose.
- Advisor obtains sufficient client information in order to provide individualized investment advice to the client. At least annually, Advisor contacts the client in writing to determine whether there have been any changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.
- Advisor is reasonably available to consult with the client.
- Each client is able to impose reasonable restrictions on how the account is managed.
- Each client receives a quarterly or monthly account statement from the custodian where the account is maintained and that statement shows all account activity
- Each client retains ownership of the funds and securities in the account (including the ability to withdraw securities and vote securities).

Management services are provided on either a discretionary or non-discretionary basis. If provided on a discretionary basis, Advisor makes all decisions to buy, sell or hold securities, cash or other investments in the managed account in Advisor's sole discretion without consulting with the client before making any transactions. Clients must provide Advisor with written authorization to exercise this discretionary authority, and they can place reasonable restrictions on the discretionary authority and types of investments held in the portfolios. If asset management services are provided on a non-discretionary basis, the Advisor always contacts the client before implementing any transactions in an account. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

Advisor requires a minimum of \$25,000 to establish and maintain a managed account, although in some instances the minimum account size may be negotiated.

Advisor's representatives assist the client in establishing a managed account(s) through a qualified custodian. The qualified custodian maintains custody of all client funds and securities. Advisor does not act as custodian and does not have access to client funds and securities except to have advisory fees deducted from the account with prior written authorization. Advisor participates in the Fidelity Institutional Wealth Services (Fidelity) program sponsored by Fidelity Brokerage Services, Inc., a FINRA registered broker/dealer. Advisor generally recommends that clients maintain their managed account assets at Fidelity. However, depending on each client's circumstances, Advisor may recommend the use of another broker/dealer as long as Advisor can meet its fiduciary duty of best execution. Clients are always free to select any account custodian they wish. If clients direct Advisor to use a particular broker/dealer, they should be aware that Advisor does not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. There may also be a disparity in commissions

charged to clients. Advisor may not accept an account if the client directs Advisor to use a broker/dealer that Advisor believes would hinder its ability to manage that account. See **Item 12, Brokerage Practices**, for additional discussion on Advisor's recommendation and use of Fidelity.

Fees for standardized investment portfolio management services are as follows:

<u>Account Value</u>	<u>Annual Fee</u>
Up to \$75,000	1.90%
Over \$75,000	1.50%

In some instances, the annual fee is negotiable. Please discuss your situation with a representative in the interview process.

Fees are billed quarterly in arrears and calculated on the average daily balance of the account during the previous quarter. The fee percentage for tiered fee schedules will be determined based on the balance of the client's account on the last day of the billing period.

If an agreement for services is executed mid-period, the initial fee will be prorated based on the number of days services were provided during the first billing period. In addition, Advisor will prorate any additions or withdrawals to the account during a billing period. (In other words, if the client deposits or withdraws funds or securities from a managed account during any billing period, the fee on that position will only be charged for the number of days services were actually provided on that position).

Fees are normally deducted from a client's account and the client must provide the account custodian with written authorization to have fees deducted from the account and paid directly to Advisor. Advisor sends the client a fee billing notice showing the amount of the fee to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any adjustments. Clients should review account statements received from their account custodian and verify that appropriate advisory fees are being deducted. In limited cases, Advisor may bill the clients directly, upon request, and will send a quarterly billing statement directly to the client. Fees are due and payable upon client receiving that billing notice.

Clients may be charged fees by other parties in connection with the investment advice provided by Advisor. These other fees may include brokerage commissions and/or transaction fees charged by the client's custodian. In addition, clients may incur certain charges imposed by third parties other than Advisor in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees, contingent deferred sales charges and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Advisor's management fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to the client. A description of these fees and expenses are available in each security prospectus.

Clients should be aware that they can invest in some mutual funds directly, without the services of Advisor. But in this case, they would not receive the services provided by Advisor that are designed to, among other things, assist clients in determining which mutual funds are more appropriate to their financial condition and objectives. Accordingly, clients should review both the fees charged by the mutual fund(s) and Advisor to fully understand the total fees that clients will pay.

Standardized investment portfolio management services may be terminated by either party at any time by providing written notice to all appropriate parties. If services are terminated within five business days of signing the client agreement, services are terminated without penalty and no fees are due. After the initial five business days, termination is effective 30 days after receiving notice and clients are responsible for

Advisor's time and effort expended to the date of termination. Advisor provides an invoice to client detailing the services provided, prorated fees earned and fees due from client.

Clients should be aware that management services billed as a percentage of assets managed could still lead to potential conflicts of interest between Advisor and clients. For example, conflicts could arise relating to financial decisions in life such as incurring or paying down debt; gifting to charities or individuals; purchasing a home, car or other non-investment assets; purchasing a lifetime immediate annuity; travel or other expenditures; investments in private equity programs (private real estate ventures, closely held businesses, etc.); and placing funds in non-managed cash reserve accounts. Advisor's goal is that its recommendations are always made with the best interests of its clients in mind, disregarding any impact the decision has on Advisor.

### **Additional Compensation**

Some of Advisor's representatives are independently licensed insurance agents and can earn commissions when selling insurance products in this separate capacity. Clients are not obligated to purchase insurance products through Advisor's representatives.

From time to time, Advisor may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. Advisor and its representatives endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that the receipt of additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact the judgment of the representatives when making advisory recommendations.

### **Comparable Services**

Advisor believes its fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Advisor does not receive performance-based fees.

## **Item 7 – Types of Clients**

Advisor generally provides investment advice to the following types of clients.

- Individuals (including high net worth individuals)
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

### **Minimum Investment Amounts Required**

For financial planning services, Advisor charges a minimum fee of \$250 if billed hourly or \$500 if billed as a fixed fee. For consultation services, there is a minimum fee of \$250.

Advisor requires a minimum of \$75,000 to establish and maintain an individualized portfolio management account and \$25,000 to establish and maintain a standardized portfolio account.

Exceptions may be granted to all minimum fees and minimum account size requirements. Please discuss your unique situation with your representative.

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

### **Methods of Analysis**

Advisor uses one or more of the following methods of analysis when considering a client's situation and developing recommendations:

- **Charting:** a technical analysis that charts the pattern of stocks, bonds and commodities to help determine buy and sell recommendations. Analysts using charting believe that recurring patterns of trading can help them forecast future price movements.
- **Fundamental:** a method of evaluating stocks based on fundamental factors such as revenues, earnings, future growth, return on equity, profit margin, etc. to determine a company's underlying value and potential for future growth.
- **Technical:** a method of evaluating securities by analyzing a stock's market activity—generally the price and volume. Technical analysts use charts or computer programs to identify and project price trends. Most analysis is done on a short or intermediate term but some analysts also predict long-term cycles based on charts or other data. Technical analysis is not concerned with the financial position of a company.
- **Cyclical:** an analysis of recurring periods of expansion and contraction that can impact a company's profitability and cash flow. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (i.e., housing, automobiles, telecommunications, paper, etc.) Non-cyclical industries (i.e., food, insurance, drugs, health care, etc.) are not as directly impacted by economic changes.

### **Investment Strategies**

The investment strategies Advisor uses when implementing investment advice to clients include:

- Long term purchases (Investments held at least a year.)
- Short term purchases (Investments sold within a year.)
- Trading (Investments sold within 30 days.)

### **Risk of Loss**

**Investing in securities involves a risk of loss that clients should be prepared to bear, including the loss of original principal.** Clients should also be aware that past performance of any security is not necessarily indicative of future results. Therefore, they should not assume that future performance of any specific investment or investment strategy will be profitable. Advisor does not provide any representation or guarantee that client goals will be achieved.

Investing in securities involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk.** Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Company Risk.** There is always a certain level of company or industry specific risk when invested in stock positions. This is referred to as unsystematic risk and can be reduced through

appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).

- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options (the right to sell or buy a specified amount of an underlying asset at a set price within a set time) are highly specialized activities and involve greater than ordinary investment risk.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF (Exchange Traded Funds) and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients might also incur brokerage costs when purchasing or selling mutual funds or ETFs.
- Management Risk. Client investments also vary with the success and failure of Advisor's investment strategies, research, analysis and determination of portfolio securities. If Advisor's strategies do not produce the expected returns, the value of a client's investments can decrease.

#### **Primary Method of Analysis or Strategy**

Advisor uses multiple methods of analysis and/or strategies. These were discussed above.

#### **Primarily Recommend One Type of Security**

Advisor recommends multiple types of securities to help diversify portfolios. Advisor does not recommend just one type of security.

### **Item 9 – Disciplinary Information**

Advisor has no legal or disciplinary events that are material to a client's or prospective client's evaluation of Advisor's business or the integrity of its management. Therefore, this item is not applicable to Advisor's brochure.

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

Advisor does not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- A investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

One of Advisor's representatives and Chief Compliance Officer, Mark D. Spiers, is an attorney. If Advisor's clients are in need of legal services, they will not be referred to Mr. Spiers, as he is not actively practicing law outside of his duties with Advisor.

Macro Financial Concepts, Inc. is an independent insurance agency that is affiliated with Advisor. It has contracts with numerous insurance companies. In addition, some of Advisor's representatives are independently licensed to sell insurance products through various insurance companies. When acting in this capacity, they may receive fees or commissions for selling insurance products. This is a potential conflict because the representatives could earn both advisory fees and insurance commissions. In addition, Macro Financial Concepts, Inc. could earn additional compensation as an affiliated entity of Advisor. Advisor's representatives always endeavor to put the interests of clients first as a part of their fiduciary duty. Clients are under no obligation to use Advisor's representatives or Macro Financial Concepts, Inc. to implement their insurance transactions. Suitable insurance and investment products may be available from other companies.

## Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each client. Advisor and its representatives have a fiduciary duty to all clients. Advisor has established a Code of Ethics that all persons associated with the firm must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with the Code of Ethics. The fiduciary duty of Advisor and its representatives to clients is considered the core underlying principle for Advisor's Code of Ethics and represents the expected basis for all dealings with clients. Advisor has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All representatives will conduct business in an honest, ethical and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients. This section is only intended to provide current clients and potential clients with a description of Advisor's Code of Ethics. If current clients or potential clients wish to review Advisor's Code of Ethics in its entirety a copy may be requested from any of Advisor's representatives and it will be provided promptly.

Advisor or individuals associated with it may buy or sell securities in their personal accounts identical to those recommended to clients. It is Advisor's express policy that no person employed by Advisor may purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory client account, therefore, preventing such person from potentially benefiting from the transactions placed on behalf of the client's account. Since Advisor's portfolio manager does all of the trading in client accounts and in accounts of those persons employed by Advisor this potential conflict of interest is well monitored.

Because Advisor or its representatives may have an interest or position in a security that is also recommended to clients, this is a potential conflict of interest. In order to ensure its fiduciary responsibilities, Advisor has established the following restrictions:

- A director, officer or employee of Advisor will not buy or sell securities for their personal portfolio(s) where their decision is derived, in whole or in part, by reason of his or her employment unless that information is also available to the investing public upon reasonable inquiry.
- No employee of Advisor will prefer his or her own interest to that of the advisory client.
- Advisor maintains a list of all securities holdings for itself and anyone associated with it that has access to advisory recommendations. These holdings are reviewed on a regular basis by a principal of Advisor.
- All clients are fully informed that certain employees of Advisor may receive separate compensation when making transactions during the financial planning implementation process.
- Advisor emphasizes the unrestricted right of the client to decline to implement any advice rendered except in those situations where Advisor is granted discretionary authority over the client's account.
- Advisor requires that all individuals act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

- When Advisor blocks trades, which is rare, (see **Item 12, Brokerage Practices**) the order may be allocated on a different basis than that in the Allocation Statement if all clients receive fair and equitable treatment. The reason for the different allocation must be explained in writing and approved by a principal of Advisor no later than one hour after securities markets open on the trading day following the day the order was executed.
- For each client account, Advisor's books and records will reflect the orders that are aggregated and the securities bought and sold for that account.
- For clients whose orders are aggregated, their funds and securities will be deposited with one or more banks or broker/dealers and neither the cash nor securities will be held collectively any longer than necessary to settle the purchase or sale in question. Cash or securities held collectively for clients will be delivered to the custodian bank or broker/dealer as soon as possible following the settlement.
- Advisor does not receive any additional compensation or remuneration of any kind as a result of a proposed aggregation.
- Individual advice and treatment is given to each advisory client.

## **Item 12 – Brokerage Practices**

Clients wishing to implement Advisor's advice are free to select any broker/dealer or investment advisor they wish and are so informed. If Advisor assists in implementing any recommendations, Advisor has a duty to ensure that the client receives the best execution possible. Best execution does not necessarily mean the lowest price but includes the overall services received from a broker/dealer.

Clients should understand that not all investment advisors require the use of a particular broker/dealer. While Advisor attempts to seek best execution for client accounts, Advisor may be unable to achieve the most favorable execution of client transactions if clients direct the use of a specific custodian. There may be other platforms that are less expensive for clients and may provide faster execution capabilities.

If a client contracts with Advisor for any management services, Advisor will recommend that they use the Fidelity Institutional Wealth Services (Fidelity) program sponsored by Fidelity Brokerage Services, Inc., a FINRA registered broker/dealer. Advisor receives economic benefits when using the Fidelity program. These benefits include:

- A dedicated trade desk that services Fidelity participants exclusively
- A dedicated service group and an account services manager dedicated to Advisor's accounts
- Access to a real-time order matching system
- Ability to "block" clients' trades
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with Fidelity's software
- Duplicate and batched client statements, confirmations and year-end summaries
- Ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements)
- Availability of third-party research and technology through "soft dollar" arrangements
- Quarterly newsletter
- Access to Fidelity mutual funds and ability to have loads waived for Advisor's clients investing in certain Fidelity loaded funds when certain conditions are met and maintained.
- Access to about 350 mutual fund families and approximately 4,500 mutual funds not affiliated with Fidelity (with over 2,000 having no transaction fees)
- Ability to have client custody fees waived (when allowed under certain conditions and when negotiated by Advisor)
- Access to AdvisorChannel.com (internet access to statements, confirmation and transfer of asset status)
- Access to Account View (through which clients can access account information over the Internet via Fidelity's web site),

The benefits received by Advisor when participating in the Fidelity program do not depend on the amount of transactions directed to or amount of assets managed through Fidelity Brokerage Services, Inc.

### **Block Trades**

Transactions implemented by Advisor for client accounts are generally effected independently, and block trades are rarely used. Block trades might be used if Advisor decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by Advisor when it believes such action may prove advantageous to clients (e.g., a reduction in trade fees). When Advisor aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when

orders are placed independently. Under this procedure, transactions are averaged as to price and allocated among Advisor's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Advisor determines to aggregate client orders for the purchase or sale of securities, it does so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* When blocking trades, Advisor may include the accounts of its personnel in the transactions. Advisor and its IARs do not receive any additional compensation or remuneration as a result of aggregating or blocking trades. Please see Item 11, **Code of Ethics, Participation in Client Transactions and Personal Trading**, for additional discussion on Advisor's aggregation and allocation procedures.

### **Financial Planning**

Due to the nature of its business and client needs, Advisor's financial planning services do not include block trades, negotiating commissions with broker/dealers, obtaining volume discounts or obtaining the best price. Clients have sole discretion on whether or not to implement a financial plan. When consistent with its fiduciary duty, Advisor will recommend using Fidelity Brokerage Services, Inc. but clients are under no obligation to do so and may select any broker/dealer they wish to implement transactions.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Financial planning services and consultation services terminate upon presentation of the plan or completion of the consultation and no reviews are conducted on these accounts. Advisor recommends that clients have their financial situation reviewed and updated at least annually. If clients elect to undertake this review and update, a new client agreement will be required and additional fees may be charged. Clients contracting for account and portfolio consultations on an ongoing basis will have their accounts reviewed quarterly or as agreed to in the agreement for services.

Managed accounts are reviewed at least quarterly, although the underlying securities in managed portfolios are reviewed continuously by portfolio management. Absent specific client instruction, managed accounts are reviewed relative to asset allocations in the client's portfolio(s), continuing suitability of investment products, and to check that account performance is still working toward the client's goals and objectives.

While the calendar is the main triggering factor, reviews may also be conducted more frequently due to client request, changes in a client's individual circumstances or unusual activity in the securities market, political or economic environment. Each representative is responsible for reviewing his or her own client accounts, although reviews are done under the supervision of Mark D. Spiers, Vice President of Portfolio Management and Chief Compliance Officer of the Advisor.

### **Account Reports**

Financial planning accounts do not receive any reports other than the financial plan included as a part of the services originally contracted for. All managed accounts receive confirmations and statements (at least quarterly) from the qualified custodian maintaining their accounts. In addition, Advisor provides quarterly performance reports to all clients with managed accounts.

## Item 14 – Client Referrals and Other Compensation

### **Other Compensation**

For additional discussion on other compensation received by Advisor, its owners or its representatives, please refer to **Additional Compensation** under **Item 5, Fees and Compensation**, and **Item 10, Other Financial Industry Activities and Affiliations**.

### **Client Referrals**

Advisor does not directly or indirectly compensate anyone for referring clients to Advisor.

### **Non-Client Economic Benefit**

Please see **Item 12, Brokerage Practices**, for discussion about the services and products Advisor may receive from Fidelity Institutional Wealth Services and Fidelity Brokerage Services, Inc.

Please see **Item 10, Other Financial Industry Activities and Affiliations**, for discussion about Macro Financial Concepts, Inc. an affiliated insurance agency, and Advisor's representatives separate activities as independently licensed insurance agents.

From time to time, Advisor may receive expense reimbursement for travel from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Although receipt of these travel reimbursements are not predicated upon specific quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales/ investments have been made or it is anticipated they will be made. The associated persons endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that the receipt of additional compensation through expense reimbursements creates a potential conflict of interest that may impact the judgment of the associated persons when making advisory recommendations.

Some of Advisor's representatives may occasionally receive incentive awards for recommending or introducing investment and/or insurance products. Receiving this additional compensation may affect their judgment in recommending those products to clients and so is a potential conflict of interest.

## Item 15 – Custody

Custody has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. Advisor's procedures do **not** result in Advisor maintaining custody of client funds and securities.

Although Advisor does not have custody, Advisor has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those custodial statements. When clients have questions about their account statements, they should contact Advisor or the qualified custodian preparing the statement.

### **Item 16 – Investment Discretion**

Portfolio management services are provided on a non-discretionary or discretionary basis. If management services are provided on a non-discretionary basis, Advisor will always contact the client before implementing any transactions in an account. If management services are provided on a discretionary basis, Advisor makes all decisions to buy, sell or hold securities, cash or other investments in the managed account in its sole discretion without consulting with the client before implementing any transactions. Clients must provide Advisor with written authorization to exercise this discretionary authority. Clients can impose reasonable restrictions on management of their accounts.

When discretionary authority is granted, it is limited. Advisor does not have access to client funds and/or securities with the exception of having advisory fees deducted from the client's account and paid to Advisor by the account custodian. Any fee deduction is done pursuant to the client's prior written authorization provided to the account custodian.

### **Item 17 – Voting Client Securities**

Advisor does not vote proxies on behalf of clients. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Upon request from the client, Advisor's representatives may provide limited clarifications of the issues presented in the proxy voting materials based on his or her understanding of issues presented in the materials. However, the client has the ultimate responsibility for making all proxy-voting decisions.

## **Item 18 – Financial Information**

This item is not applicable to Advisor's brochure. Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, Advisor is not required to include a balance sheet for its most recent fiscal year. Advisor is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, Advisor has not been the subject of a bankruptcy petition at any time.

## **Item 19 – Customer Privacy Policy and Management Information**

### **Privacy Policy**

Advisor internally safeguards the client's nonpublic personal information. Advisor maintains physical, electronic and procedural safeguards that meet federal and/or state standards to guard the client nonpublic information. To view Advisor's full Privacy Policy Statement please contact Mark D. Spiers, Vice President of Portfolio Management and Chief Compliance Officer of the Advisor.

### **Information on Management and Principal Executive Officers**

#### **Owen T. Stewart**

President, Treasurer, Secretary, Director  
Macro Financial Advisors, Inc.

### ***Educational Background and Business Experience***

Owen T. Stewart graduated from the University of Oklahoma in 1984 with a Bachelor of Science Degree in Business Management. He graduated from the Fuller Theological Seminary in 1988 with an M.A. in Cross Cultural Studies.

Mr. Stewart has been the President of Macro Financial Advisors, Inc. since June 2000 and an investment advisor representative with the firm since January 2001. He was an investment advisor representative with Securities America Advisors, Inc. from January 2000 to December 2000 and a registered representative with Securities America, Inc. from March 1998 to January 2001.

Owen T. Stewart has been President and an insurance agent with Macro Financial Concepts, Inc. since May 1994. In addition, he has been the owner/landlord of private rental property since November 1995.

From October 2002 to December 2009, Mr. Stewart was the Owner of Macro Financial Mortgage and was the Branch Manager of Primary Residential Mortgage, Inc. from 10/2002 to December 2003. In August 2004, he became the Owner and Managing Member of Macro Financial Properties, LLC and continues in that capacity at the present time. Mr. Stewart became the Chairman and Managing Member of Macro Aviation, LLC in June of 2010 and presently continues in those roles.

### ***Disciplinary Information***

Owen T. Stewart has no disciplinary history that is required to be disclosed by the U.S. Securities and Exchange Commission or state regulatory authorities.

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

Mr. Stewart's various activities related to his ownership of rental property take up less than 10% of his workweek and are performed outside of normal securities trading hours.

Mr. Stewart is independently licensed to sell insurance products through various insurance companies, and receives commissions for selling these products. He may also receive other incentive awards for recommending or selling insurance products. Receiving compensation and other incentive benefits may affect his judgment when recommending products to clients. As part of his overall fiduciary duty to clients, Mr. Stewart endeavors at all times to put the interests of his clients first. However, clients should be aware that the fact he receives commissions and additional compensation creates a conflict of interest and may affect his decision-making process when making recommendations.

Clients are never obligated or required to purchase insurance products from or through Mr. Stewart and may choose any insurance agent or broker they wish to purchase insurance products. But clients should know that whichever insurance agent or broker they select, the agent or agency will receive normal commissions from the sale.

### ***Additional Compensation***

Owen T. Stewart is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, he could receive commissions for selling these products

Certain product sponsors may provide Mr. Stewart with other economic benefits as a result of his recommending or selling the sponsors' products. The economic benefits received by Mr. Stewart from product sponsors can include, but are not limited to, financial assistance or sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses and tools to assist Mr. Stewart in providing various services to clients.

Macro Financial Advisors, Inc. and Owen T. Stewart endeavor at all times to put the interests of their clients ahead of their own interests or those of the firm's officers, directors, or representatives. However, these arrangements could affect the judgment of Mr. Stewart when recommending investment products and these situations present a conflict of interest.

### ***Supervision***

Mark D. Spiers is the Chief Compliance Officer of Macro Financial Advisors, Inc. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives. Mr. Spiers supervises representatives of the firm and reviews suitability, and other issues that are brought before him, to determine appropriate courses of action. He can be contacted at (402) 420-2233.

In his additional role as Vice President of Portfolio Management, Mr. Spiers, researches and designs Advisor's entire suite of portfolios. Each representative works with their client to determine an appropriate investment policy profile. Once the investment dollars have arrived, Mr. Spiers implements a portfolio suitable to that client's profile. Mr. Spiers will also rebalance these portfolios, trade securities requested by clients, and is responsible for most aspects of portfolio management and performance reporting.

### ***Requirements for State Registered Advisers***

Mr. Stewart has not been involved in an arbitration claim alleging damages in excess of \$2,500 resulting in an award or otherwise being found liable. Additionally, he has not been involved in a civil, self-regulatory organization or administrative proceeding resulting in an award or otherwise being found liable. He has not been the subject of a bankruptcy petition.

**Mark D. Spiers**  
Chief Compliance Officer  
Vice President of Portfolio Management  
Macro Financial Advisors, Inc.

***Educational Background and Business Experience***

Mark D. Spiers graduated from the University of Nebraska in 1989 with a Bachelor of Arts Degree in Psychology. He graduated from the University of Nebraska College of Law in 1992 with a Juris Doctor in Law.

Mr. Spiers has been the Vice President of Portfolio Management for Macro Financial Advisors, Inc. since September 2001 and an investment advisor representative with the firm since January 2001. In December 2001, he became the Chief Compliance Officer for the firm and continues in that capacity at the present time. He was an investment advisor representative with Securities America Advisors, Inc. from March 2000 to December 2000 and a registered representative with Securities America, Inc. from April 1998 to January 2001. From June 1998 to March 2002, Mr. Spiers was a structured settlement broker for Delta Group Settlement Services.

Mark D. Spiers has been an insurance agent with Macro Financial Concepts, Inc. since March 1998. In addition, he has been the owner/landlord of private rental property since July 1999.

***Disciplinary Information***

Mark D. Spiers has no disciplinary history that is required to be disclosed by the U.S. Securities and Exchange Commission or state regulatory authorities.

***Other Business Activities***

Mr. Spiers' various activities related to his ownership of rental property take up less than 10% of his workweek and are performed outside of normal securities trading hours.

Mr. Spiers is independently licensed to sell insurance products through various insurance companies, but rarely does so. When acting in this capacity, he receives commissions for selling these products. He may also receive other incentive awards for recommending or selling insurance products. Receiving compensation and other incentive benefits may affect his judgment when recommending products to clients. As part of his overall fiduciary duty to clients, Mr. Spiers endeavors at all times to put the interests of his clients first. However, clients should be aware that the fact he receives commissions and additional compensation creates a conflict of interest and may affect his decision-making process when making recommendations.

Clients are never obligated or required to purchase insurance products from or through Mr. Spiers and may choose any insurance agent or broker they wish to purchase insurance products. But clients should know that whichever insurance agent or broker they select, the agent or agency will receive normal commissions from the sale.

***Additional Compensation***

Mark D. Spiers is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, he could receive commissions for selling these products. It is the current business practice for Mr. Spiers to assign any commissions received, to Macro Financial Concepts, Inc., the Advisor's affiliated insurance agency, and is done as a service to the agency.

Certain product sponsors may provide Mr. Spiers with other economic benefits as a result of his recommending or selling the sponsors' investment products. The economic benefits received by Mr. Spiers from product sponsors can include, but are not limited to, financial assistance or sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses and tools to assist Mr. Spiers in providing various services to clients.

Macro Financial Advisors, Inc. and Mark D. Spiers endeavor at all times to put the interests of their clients ahead of their own interests or those of the firm's officers, directors, or representatives. However, these arrangements could affect the judgment of Mr. Spiers when recommending investment products and these situations present a conflict of interest.

Mark D. Spiers is an attorney. If advisory clients of Macro Financial Advisors, Inc. are in need of legal services, they will not be referred to Mr. Spiers, as he is not actively practicing law outside of his duties with Advisor.

### ***Supervision***

Mark D. Spiers is the Chief Compliance Officer of Macro Financial Advisors, Inc. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives. Mr. Spiers supervises representative of the firm and reviews suitability, and other issues, that are brought before him, to determine appropriate courses of action. He can be contacted at (402) 420-2233.

In his additional role as Vice President of Portfolio Management, Mr. Spiers, researches and designs Advisor's entire suite of portfolios. Each representative works with their client to determine an appropriate investment policy profile. Once the investment dollars have arrived, Mr. Spiers implements a portfolio suitable to that client's profile. Mr. Spiers will also rebalance these portfolios, trade securities requested by clients, and is responsible for most aspects of portfolio management and performance reporting.

### ***Requirements for State Registered Advisers***

Mr. Spiers has not been involved in an arbitration claim alleging damages in excess of \$2,500 resulting in an award or otherwise being found liable. Additionally, he has not been involved in a civil, self-regulatory organization or administrative proceeding resulting in an award or otherwise being found liable. He has not been the subject of a bankruptcy petition.