

**Bauerle Financial Inc.**

**505 East New York Avenue**

**Deland, Florida 32724**

**Phone: 386-734-4548**

**Fax: 386-734-0863**

**Email: Todd@Bauerlefinancial.com**

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**FORM ADV PART2 APPENDIX 1 (WRAP FEE PROGRAM BROCHURE)**

**This wrap fee program brochure provides information about the qualifications and business practices of Bauerle Financial Inc. If you have any questions about the contents of this brochure, please contact us at 386-734-4548. 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 Bauerle Financial Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bauerle Financial Inc. is 106775.**

**Bauerle Financial Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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### ***Services, Fees and Compensation***

Form ADV Part 2A, Appendix 1, Item 4

For investment management clients, the Company generally offers its services through the “BFI Wrap Program” (the “Program”), which is a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly upon transactions in a client’s account is charged for investment advisory services and the execution of client transactions.

The Company receives the entire Program fee, a portion of which is used to compensate the executing broker for any transaction charges and fees. Clients participating in the program must use the custody and brokerage services of TD AMERITRADE.

Advisor participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, Advisor participates in TD Ameritrade’s institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor’s participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor’s choice of TD Ameritrade for custody and brokerage services.

The Company offers financial planning and investment management services to its clients. At the beginning of a client relationship, The Company works with the client to determine and evaluate financial circumstances and investment objectives in an effort to recommend and implement an effective investment management program tailored to the client's needs.

All assets are managed by the Company on a discretionary basis. The Company supervises, manages, and directs assets as the client's agent by making investments, changes and adjustments to the portfolio as the Company deems appropriate based on the information provided to the Company regarding the client's financial circumstances and investment objectives. The Company will implement appropriate mutual funds, exchange traded funds (ETFs), hedge funds, and/or managed futures funds (collectively, "Funds") within each asset class that meet the client's individual requirements. Each client will be provided the opportunity to place reasonable restrictions on the types of investments that may be recommended by the Company.

Additional information about the Funds, including information about their managers, investment strategies, advisory fees, and conflicts, is available and provided in the disclosure documents of the Funds.

The fees for the Program are described below and are received by the Company in their entirety.

<i>Assets Under Management</i>	<i>Annual fee (as a % of assets)</i>
First \$500,000	1.30%
Next \$500,000	1.00%
Next \$4,000,000	0.70%
Next \$5,000,000	0.50%
Amount over \$10,000,000	0.30%

Under certain circumstances, management fees may be negotiable.

The management fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than TD AMERITRADE and custody charges if client assets are in custody anywhere other than TD AMERITRADE. A broker-dealer's markup or markdown may be built into the price of over-the-counter securities traded within the Program. Finally, management fees do not include expenses of the Funds that will be included in the client's portfolio.

For clients utilizing the Program, these clients must agree to hold all Program assets at TD AMERITRADE. Because the Company will bear the cost of trading, The Company may have an incentive to trade infrequently in client accounts in order to reduce the amount that has to be paid out-of-pocket in transaction costs.

Management fees are billed quarterly, in advance, based on the total assets in the account(s) on the last day of the second month of each calendar quarter; certain investments may be valued using historical cost or par value. For the first billing quarter, if an account is not opened at the end of the second month of the quarter, the fee will be based upon a pro-rata calculation of the aggregate market value of the client's portfolio upon receipt of assets into the account(s), based upon the date of the signed IA Agreement.

The Company believes that its fees are competitive with fees charged by other investment advisers for comparable services, especially in consideration of the fact that the costs of the Program are included in this fee. Comparable services may be available, however, from other sources for lower fees.

However, using the Program will likely cost the client less than paying for investment management services and transaction costs separately. For example, if the client engages the Company for investment management services only and utilizes the services of a broker-dealer other than TD Ameritrade, the investment management fee would be dictated by the same fee schedule as if the client utilized the Program; in addition the client would pay separately for the transaction costs determined by the selected broker-dealer.

The fees charged by the Company are separate and distinct from the fees charged by recommended Funds. A description of these Fund fees is available in each disclosure document. These fees are also separate from any custodial fees (if any), which are the responsibility of the client.

Unearned or unapplied fees will be refunded, on a pro-rata basis less any applicable fees, if any, charged to the Company for the liquidation of assets in the client's portfolio. Under contractual arrangements, either the Company or the client may terminate an investment advisory contract effective 30 days after receipt of written notice to the other party. Clients who voluntarily terminate their relationship with the Company will be excluded from the Program and will not have their transaction fees covered on any position liquidations they choose to execute.

***Account Requirements and Types of Clients***

Form ADV Part 2A, Appendix 1, Item 5

The Company offers the Program to individuals, trusts, estates and charitable organizations, and pension and profit sharing plans.

## ***Portfolio Manager Selection and Evaluation***

Form ADV Part 2A, appendix 1, Item 6

### Portfolio Manager Selection

Unlike a typical wrap fee program, the Company serves as both the sponsor and sole portfolio manager within the Program. The Company will not engage other portfolio managers. The investment management services provided by the Company are described in Item 4 - *Services, Fees and Compensation* of this Appendix.

### Methods of Analysis and Investment Strategy

#### *General*

The Company recommends various investment strategies when providing investment recommendations to clients. The recommended strategies are based upon a client's goals and objectives. The Company will evaluate various investment alternatives, (e.g., various asset allocations for investment in Funds) to form a basis for the client in determining the strategies needed to achieve the client's investment goals and objectives.

#### *Risk of Loss - General*

All investing involves a risk of loss and the investment strategy offered by the Company could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks including, but not limited to, that portfolio management techniques used by the Company may not produce the desired results. This could cause accounts to decline in value. In addition, the Company may rely on information that turns out to be wrong. The Company selects investments based, in part, on information provided by issuers to regulators or made directly available to the Company by the issuers or other sources. The Company is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and may result in losses.

The Company also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid a loss.

#### *Potential Risks of Investing in Securities Purchased in Funds*

**Stock Market Risk** - Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices. Investing in small- and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies may be subject to more volatility in price than larger company securities.

**Foreign Securities Risk** - Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency conversion; and pricing factors affecting investment in the securities of foreign businesses or governments.

**Interest Rate Risk** - Bonds also experience market risk as a result of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall. The reverse is also true: if interest rates fall, bond prices will generally rise. A bond with a longer maturity (or a bond fund with a longer average maturity) will typically fluctuate more in price than a shorter term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

**Credit Risk** - Bonds and bond mutual funds are also exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor's are generally considered to carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Of course, bonds with lower credit ratings generally pay a higher level of income to investors.

**Liquidity Risk** - Liquidity risk exists when a particular security is difficult to trade. A mutual fund's investment in illiquid securities may reduce the returns of the mutual fund because the mutual fund may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all.

**Call Risk** - Many fixed income securities have a provision allowing the issuer to repay the debt early, otherwise known as a "call feature." Issuers often exercise this right when interest rates are low. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund would reinvest the proceeds of the payoff at current interest rates, which would likely be lower than those paid on the security that was called.

**Objective/Style Risk** - All of the mutual funds and investment managers are subject, in varying degrees, to objective/style risk, which is the possibility that returns from a specific type of security in which a mutual fund or manager invests will trail the returns of the overall market.



U.S. Government Agency Securities Risk - Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. If a government-sponsored entity is unable to meet its obligations, the securities of the entity will be adversely impacted.

Managed Futures Fund Risk - The funds are subject to a number of risks and may not be suitable for all investors. The funds' use of derivatives such as futures, options, structured notes and swap agreements may expose the funds to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. A highly liquid secondary market may not exist for the commodity-linked structured notes the funds invests in, and there can be no assurance that a highly liquid secondary market will develop. The funds' exposure to the commodities market may subject the funds to greater volatility as commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. When the funds invest in an ETF, in addition to directly bearing the expenses associated with their own operations, they will bear a pro rata portion of the ETF's expenses. Further, in part because of these additional expenses, the performance of an ETF may differ from the performance the funds would achieve if they invested directly in the underlying investments of an ETF. The funds are subject to tracking error risks, which may cause the funds' performance not to match that of or be lower than the funds' underlying benchmarks. The funds are considered non-diversified and can invest a greater portion of their assets in securities of individual issuers than diversified funds. As a result, changes in the market value of a single security could cause greater fluctuations in the value of fund shares than would occur in more diversified funds.

*Potential Risks of Investing in Private Investment Funds (e.g., Hedge Funds, Managed Futures Funds)*

Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Investing in private investment funds is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity because of redemption terms and conditions and that there may not and will not be a secondary market for the fund, volatility of returns, restrictions on transferring interests in the fund, a potential lack of diversification, higher fees than mutual funds, lack of information regarding valuations and pricing, and advisor risk. Each prospective client investor will be required to complete a subscription agreement with the private investment fund itself, pursuant to which the client investor shall establish that he/she/it is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment. Private investment funds have liquidity risk and investors may not be able to redeem their investment per the offering document's disclosures.

Voting Client Securities

The Company will not exercise proxy voting authority over client securities. The obligation to vote client proxies shall rest with the client. Client shall in no way be precluded from contacting the Company for advice or information about a particular proxy vote. However, the Company shall not be deemed to have proxy voting authority solely as a result of providing such advice to the client.

Should the Company inadvertently receive proxy information for a security held in the client's account, then the Company will immediately forward such information on to the Client, but will not take any further action with respect to the voting of such proxy. Upon termination of its Agreement with the client, the Company shall make a good faith and reasonable attempt to forward proxy information inadvertently received by the Company on behalf of the client to the forwarding address provided by the client to the Company.

With regard to all matters (other than proxies) for which shareholder action is required or solicited with respect to securities beneficially held by the client's account, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations, the Company affirmatively disclaims responsibility for voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters.

***Client Information Provided to Portfolio Managers***

Form ADV Part 2A, Appendix 1, Item 7

As the Company serves as both sponsor of the Program and its portfolio manager, all information regarding clients is available to the Company personnel.

***Client Contact with Portfolio Managers***

Form ADV Part 2A, Appendix 1, Item 8

There are no restrictions placed on clients' ability to contact and consult with personnel of the Company.

### ***Additional Information***

Form ADV Part 2A, Appendix 1, Item 9

#### Disciplinary Information

The Company and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

#### Other Financial Industry Activities and Affiliations

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

Neither the Company nor any of its related persons receive any form of compensation from any recommended Fund.

Personnel of the Company may be investors and/or partners/members in private investment partnerships, limited liability companies, or corporations that invest in securities or private equity opportunities. Certain of the investors in the private investment partnerships, limited liability companies or corporations may also independently be clients of the Company.

#### Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Mr. Bauerle manages his own personal investments and in that capacity is an investor, partner or member in various pooled investment vehicles that invest in securities, other pooled investment vehicles, or real estate. Certain of the investors in the private investment partnerships, limited liability companies or corporations may also independently be clients of the Company.

The Company and its employees may also buy and sell the same securities that may be recommended to clients. If the possibility of a conflict or interest occurs, the client's interest will prevail. It is the policy of the Company that priority will always be given to the client's orders over the orders of an employee of the Company.

To avoid any potential conflicts of interest involving personal trades, the Company has adopted a Code of Ethics

("COE"), which includes personal trading reporting and review policies and procedures and insider trading policies and procedures. The Company's COE requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of the Company above one's own personal interests;
- Adhere to the fundamental standard that one should not take inappropriate advantage of his or her position;
- Avoid any actual or potential conflict of interest wherever possible;
- Conduct all personal securities transactions in a manner consistent with the COE;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve one's professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

The Company's COE also requires employees to: 1) pre-clear certain personal securities transactions; 2) report personal securities transactions on at least a quarterly basis; and 3) provide the Company with a detailed summary of certain holdings and securities accounts (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A copy of the Company's COE is available to any client or prospective client by contacting the Company's Chief Compliance Officer at (386)-734-4548.

In the normal course of business, employees of the Company may provide gifts and gratuities to various clients and other persons. These gifts, gratuities and contributions are not premised upon any specific client referrals or any expectation of any other type of benefit to the Company.

The Company may be an investor and partner or member in several private investment partnerships, limited liability companies or corporations that invest in securities or private equity opportunities. In addition, the Company may invest in the securities of issuers where the management personnel of such issuers are clients of the Company. The Company maintains strict policies and procedures that prohibit the use of any inside information, although it is not anticipated that the Company would come into contact with such information. The receipt of inside information about an issuer may prevent the Company from trading securities of that issuer for a client when the client could make a profit or avoid a loss.

The Company may also invest in securities that are generally not recommended to clients. These investments are speculative in nature and are therefore inappropriate for the Company's clients.

#### Review of Accounts

The Company reviews all portfolios. In general, portfolios are reviewed at least quarterly (for non-discretionary clients) or monthly (for discretionary clients), or more often if economic, political or market conditions dictate. Triggering factors include material changes in a client's financial situation, changes in a Fund's management team or advisory fee, as well as political and economic events. Also, portfolios are reviewed upon client request.

The Company provides a quarterly report for each client. This report includes a summary of portfolio holdings, summary of transactions, interest and dividends earned, and a performance overview.

***Requirements for State-Registered Advisers***

Form ADV Part 2A, Appendix 1, Item 10

Not applicable. Bauerle Financial Inc. is federally covered registered investment adviser, registered with the U.S. Securities and Exchange Commission at File No. 801-50497.