

MOISAND | FITZGERALD | TAMAYO

Financial Planning and Wealth Management

Moisand Fitzgerald Tamayo, LLC
601 S. Lake Destiny Road, Suite 165
Maitland, FL 32751
(407)869-6228
(407)869-6558
dan@moisandfitzgerald.com
www.moisandfitzgerald.com

Firm Disclosure Brochure Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Moisand Fitzgerald Tamayo, LLC. If you have any questions about the contents of this brochure, please contact us at (407) 869-6228 and/or dan@moisandfitzgerald.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Moisand Fitzgerald Tamayo, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Brochure last updated March 21, 2012

Material Changes

There are no material changes from our last annual update in March of 2011.

Table of Contents

About Our Advisory Business.....	4
Description of Services Provided	5
Wealth Management.....	6
Financial Planning & Financial Consulting Services	6
Pension Consulting Services	7
Other Services.....	7
Fees and Compensation.....	7
Advisory Fee.....	8
How Fees Are Administered	9
Performance Based Fees.....	9
Types of Clients.....	9
Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Disciplinary Information.....	12
Other Financial Industry Activities and Affiliations.....	12
Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	13
Standards of Conduct.....	14
Protection of Client Information.....	14
Personal Conduct.....	14
Brokerage Practices	15
Cost of Execution	18
Capability & Quality of Execution	18
Trading Systems & Platforms.....	18
Other Considerations	18
Trading Aggregation & Allocation.....	18
Review of Accounts.....	18
Client Referrals & Other Compensation.....	19
Custody	20
Investment Discretion.....	21
Voting Client Securities.....	21
Financial Information.....	22

Advisory Business

Moisand Fitzgerald Tamayo, LLC (MFT) was founded in 1998 under a different name. The firm's owners are Ronald Tamayo, Charles Fitzgerald III, and Daniel Moisand, who have all been Certified Financial Planner (CFP®) professionals since at least 1994. The firm is based in Maitland, Florida, with an office in Melbourne, Florida.

Highlights of the professional accomplishments for the firm's owners include Mr. Tamayo's appointment to the Editorial Review Board and Advisory Board of the *Journal of Financial Planning*, Mr. Fitzgerald's offices held with the FPA of Florida and receipt of the *Heart of Financial Planning Distinguished Service Award* from FPA nationally, and Mr. Moisand being featured as one of the America's top independent financial advisors by *Financial Planning*, *Financial Advisor*, *Investment Advisor*, *Investment News*, *Journal of Financial Planning*, *Accounting Today*, *Research*, *Wealth Manager*, and *Worth* magazines.

Our firm prefers to eliminate, rather than merely disclose, conflicts of interest facing people who receive financial advice. We are independent; working for no one but our clients. We receive no commission income or income from third parties, and we do not create or distribute products of our own. The standard of care we are accountable to is that of a fiduciary as per the Investment Advisor Act of 1940. As of December 31, 2011, our firm managed \$216 million in client assets on a discretionary basis for 301 households and \$3 million on a non-discretionary basis for 9 households.

In an effort to avoid conflicts of interest, we have structured our firm with the following characteristics:

- **We are independent fiduciaries.** We work for no one but our clients, and our legal obligations are to our clients' interests first and foremost. We *never* take off our fiduciary "hats" to become product sales people.
- **We are objective.** We receive no compensation based upon the sale or purchase of any particular products. All products are evaluated based solely upon their merits or lack thereof and not on any compensation incentives.
- **We are disciplined.** We evaluate financial products, investment opportunities, and strategies with a healthy dose of skepticism that has often helped our clients improve their prospects for success by avoiding overlooked risks and unnecessary costs.
- **We are investors, not speculators.** We manage our clients' investment portfolios but we do not "play the market," try to time the market, or otherwise gamble with our client's money.
- **We are proactive.** We scour the economic, tax, and market environments to identify opportunities to shore up financial weaknesses without lessening strengths.

- **We are realistic.** We do not believe in following investment gurus. We consider the mainstream financial media as mostly a source of entertainment and not a meaningful aid to sound decision-making.
- **We are well-qualified.** Our team has six CFP® professionals working for you, and the resumes of our principals are among the best you will see. Our *minimum* standards for education, business experience and professional licenses for our advisors are:

Education: Bachelor's degree in Accounting or Finance
 Experience: Five (5) years investment or finance
 Licenses: Certified Financial Planner (CFP®) Practitioner
 Associations: Member of The Financial Planning Association (National and Central Florida)

- **We are experienced.** We have guided our clients through bubbles and busts, bull markets and bear markets, hype and hysteria, and helped them make sound decisions regarding their retirement plans, taxes, education expenses, estate plans, trust management, risk management, stock options, health care needs and whatever else has arisen.

Description of Services Provided

Wealth Management Services

MFT provides fee-only wealth management and advisory services for individuals, trusts, estates and qualified retirement plans.

We manage assets based upon written policies we establish in collaboration with clients. In order to develop an investment plan, MFT will rely on information supplied by the client pertaining to the client's financial situation, objectives, time horizon, and risk tolerance. This information becomes the basis for formulating a written Investment Policy Statement (IPS) and strategic asset allocation plan, which the advisor believes best meets the client's long-term, stated goals. Clients may impose restrictions on investing in certain securities or types of securities through their IPS or in another written document. Once the IPS is developed, MFT will implement the plan and provide ongoing discretionary investment management and ongoing planning support in related financial areas. Each client account is managed independently and according to the IPS of the client.

The firm offers wealth management and financial planning advice to most of its clients in five principal financial planning areas: (1) risk management, (2) investments, (3) taxes, (4) retirement, and (5) estate planning. Data gathering and discussions with the client guide the advisor in the investment process and the client in their overall wealth strategy and goals.

Financial Planning and Financial Consulting Services

The firm normally does not prepare financial plans for those who do not engage the firm for investment management. When the firm accepts a planning-only engagement, either a fixed project fee or an hourly fee will apply. MFT will typically provide a variety of financial planning services, pursuant to a written agreement, to individuals, families and other clients regarding the management of their financial resources based upon an analysis of their current situation, goals, and objectives. Generally, such financial planning services will involve rendering a financial consultation that may include recommendations to improve any of the following five principal financial planning areas: (1) risk management, (2) investments, (3) taxes, (4) retirement, and (5) estate planning and the interaction between these areas.

The financial consultation will usually include general recommendations for a course of activity to be taken by the client. Consultations are typically completed within one (1) month of contract date and receipt of all information and documents requested, assuming clients make themselves available to receive such consultation.

Our advice includes specific recommendations regarding long and short-term financial planning.

Services are limited to an examination of only those areas described in the client agreement and only for the duration specified.

Because each client's financial situation and goals change, clients may wish to have follow-up reviews and analyses performed by MFT after receiving our initial financial planning services. Such follow-up reviews are performed, and reports provided, as frequently as we mutually agree. Such agreement is documented in a new financial planning and consulting agreement that sets forth the terms and conditions of the engagement, describes the scope of the services to be provided, and the portion of the fee that is due prior to our commencing services.

We may recommend the services of other professionals such as attorneys or tax preparers. Clients are under no obligation to engage the services of any such recommended professional. Clients retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation made by MFT.

Pension Consulting Services

MFT provides pension consulting services to employer-sponsored pension and profit sharing plans pursuant to a written agreement. MFT provides independent assistance to plan sponsors in the areas of investment policy creation, provider searches, benchmarking, asset allocation and fiduciary services including general advisory services, such as assisting firms in choosing the right platform or funds to offer their employees. MFT will assist in the development of an investment policy statement (IPS) for the plan. The scope and cost of these services are outlined in a written agreement. Fees are usually either a flat annual fee or based on the amount of assets in the plan and are negotiated with the sponsoring employer.

Other services

As a convenience to its wealth management clients, MFT offers individual tax return preparation for a separate fee. There is no requirement that clients use MFT to prepare their returns. MFT is happy to work with existing tax preparers or recommend tax preparers not affiliated with MFT. Time devoted to this activity represents a small portion of the firm's time because only a few firm personnel, primarily Ron Tamayo, are involved and most of the work is accomplished during the tax season (primarily February 15 to April 15).

Fees and Compensation

MFT does not receive any direct compensation or commissions from any third party. For a description of indirect benefits, see below. MFT has access to institutional quality funds not available to the retail investor and access to load mutual funds at net asset value (no load). MFT often obtains discounts for its clients on published retail transaction and redemption brokerage/custodial fees, but receives no compensation whatsoever from the funds, custodians, trustees or brokerage firms.

MFT has a fiduciary duty to manage costs incurred by clients. Wealth management fees paid to MFT are separate from the fees and expenses charged by products which clients own in their portfolios. The mutual fund fees and expenses are outlined in each fund prospectus. Additionally, the fees charged by MFT are exclusive of all custodial and transaction costs paid to custodians, brokers, dealers, or any other third parties, such as attorneys brought in for estate planning. MFT expects and encourages clients to review thoroughly during the engagement process why, when and how all fees are charged and billed. MFT may discount or waive management fees to family members.

With a written agreement from a client, MFT may also charge a supplemental fixed or hourly fee in addition to the wealth management fee for initial or more complex financial planning work.

Advisory Fees

Wealth Management Services – The minimum required portfolio for new clients is \$500,000. MFT may make exceptions to this minimum at its discretion. Clients who wish to engage the wealth management services of MFT will be billed quarterly in advance according to the following schedule:

Standard Fee Schedule for Accounts that are \$500,000 and Greater:

<u>Assets Under Management</u>	<u>Annually</u>	<u>Quarterly</u>
First \$1,000,000 invoiced at	1.00%	0.250%
Next \$1,000,000 invoiced at	0.80%	0.200%
Over \$2,000,000 invoiced at	0.50%	0.125%

MFT allows for the aggregation of same household member accounts to meet the minimum. If assets under management total less than \$500,000, the fee billed to the account will be 1.5 % for the first \$300,000 and 1.2% for the next \$200,000. MFT may negotiate the fee schedule to be higher or lower than the amounts described above based upon the complexity of client's situation including complications or impracticalities resulting from client's use of a custodian not recommended by MFT. No increase in the billing rate may be made without the written consent of the client on the wealth management agreement.

How Fees Are Administered

Clients are notified of the management fee in the Wealth Management Agreement and by the invoice included in each quarterly report. The invoice provides the value of the account at the beginning of the current quarter and the computation of the fee for that quarter. Invoices are payable upon receipt by the client or, if authorized by client, deducted from their brokerage account. The fee is debited directly from the client account and only after the invoice is mailed. Fees for the initial and final billing periods are prorated for the days of the quarter management services were provided. If the client terminates the advisory contract within five business days of signing the agreement, the client is entitled to a full refund. The client or MFT may terminate the Wealth Management Agreement at any time by giving written notice to the other party. The client is only responsible for fees through the termination date of the contract and is entitled to a refund of any remaining fees from their last billing.

Although MFT is confident of the accuracy of its management fee calculation, it is the client's right and responsibility to verify same. Though fees are reported independently to clients by the custodian on the monthly statements sent directly to clients, these firms do not verify the accuracy of our calculations. If a client does not receive a statement from the custodian in a timely manner, the client should notify us or contact the custodian directly.

Financial Planning Fees - Fees for Financial Plans are determined by the following:

Most financial planning advice is included as part of our wealth management service for clients that meet our minimum portfolio size. Different client situations may result in differing levels of complexity and formality with the delivery of these services. In cases where a separate planning fee is warranted the following applies:

The fee is based upon the complexity of the client's situation, the anticipated level of staff involvement, and estimated number of hours to create the plan. The fee for delivery of financial planning services is discussed with the client prior to the signing of the Financial Planning Services Agreement. Financial plan fees start at \$1,000. Half of the fee is due upon the signing of the agreement and the balance is due upon completion. The client has five business days from the signing of the contract to rescind the contract for a full refund. Additional services requested beyond the scope of the original plan may be billed on an hourly basis at the published rate of \$250 per hour.

Financial Consulting- The business of MFT is to provide ongoing financial consulting for its wealth management clients. In a very limited number of cases, the firm will provide hourly consulting services on specific financial issues at the published rate of \$250.00 per hour.

Performance-Based Fees

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our compensation structure is disclosed in detail in Item 5 above. Our asset based fees assure that when account values decline or rise, our fees change proportionately. Moisand Fitzgerald Tamayo, LLC believes that performance-based fees present conflicts with clients' interests. For instance, such fees may encourage excessive risk taking.

Types of Clients

The majority of our clients are individuals and families. We also manage investments for trusts. We provide investment advice and pension plan design consulting to small business retirement plans. The minimum required portfolio for new clients is \$500,000. MFT may make exceptions to this minimum at its discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

There is no such thing as a risk-free investment. Investing in securities involves risk of loss that clients should be prepared to bear. When retained to manage investment assets, our process seeks to manage risk in a manner that is appropriate for each client's situation, and educate clients about the trade-offs between seeking to reduce risk and maximize returns.

MFT relies upon the information supplied by the client and the client's other professional advisors. This may include information relating to income, expenses, assets, liabilities, tax situation, family matters, short-term and long-term financial goals and objectives, investment time horizon, investment experience, risk tolerance and estate planning objectives. This information becomes the basis for creating an Investment Policy Statement (IPS) that outlines the basic investment plan we believe will best meet the client's goals. This financial planning process drives our high level portfolio recommendations.

Many people make investment decisions based on stories that sound good to them. We prefer evidence over anecdotes. MFT's process is influenced heavily by true academic research. Research clearly reveals that the choice of asset allocation (how much goes into different types of securities) drives portfolio behavior more than any other choice and most tactics taken in an attempt to outperform actually reduce returns and/or increase risks.

While it is impossible to avoid risk entirely and no one knows what the future holds, our investment strategies are based only on concepts backed by rigorous academic research such as:

- Over the long term, successful market-timing - the movement of large percentages of a portfolio in and out of financial markets to take advantage of short-term market movements – has a low probability of producing good returns. The costs to clients of such a strategy can be potentially high. As a result, MFT does not utilize market-timing strategies.
- Stocks, in aggregate, are too volatile to be appropriate to fund short-term goals. The longer the time frame, the better the record of diversified stock investments are at providing a positive after-tax, after-inflation rate of return. According to data from Standard & Poor's Index Services Group, the S&P 500 index, a widely followed measure of the performance of US stocks, lost value in 38% of the one month periods between January 1926 and December 2010 with an average loss of almost 4%. In a single day, October 19, 1987, the index dropped 20.47%. But, over 20 year periods, the index has yet to lose value or fail to stay ahead of inflation.
- Bonds and other fixed income investments such, as CD's, that mature at an appropriate time offer returns that are more certain. However, the longer the time frame, the poorer the record of these investments are at providing a positive after-tax, after-inflation return. Therefore, bonds are useful for providing some certainty of return and funding shorter term needs. According to data from the Center for Research in Securities Prices, investing in 5 year US Government Bonds resulted in losses in 28.33% of the one month periods between January 1926 and December 2010 with an average loss of .82%. Over 20 year periods, owning such bonds has yet to result in losses of value but failed to stay ahead of inflation approximately 30% of the time.
- Diversifying among different types of securities (i.e. large company stocks, small company stocks, foreign large and small, government bonds, corporate bonds, etc.) often improves the trade-off between risk and return of a portfolio even though these other classes of stocks have been riskier and more volatile than the S&P500.
- Diversifying among each type of security (i.e. owning stock in hundreds of large companies instead of just the stock of one or a handful of companies) can greatly reduce the chances of loss over the long-term. See discussion of individual securities below.
- Most attempts to beat the market by trading securities fail due to increased costs of various types. There is no evidence that those that succeeded in one period are likely to succeed in subsequent periods.
- The record of economic forecasts shows that forecasting economic activity is difficult. Research shows that markets are so complex, and reaction to economic and other news so fast, that the ability to adjust investments to profit from economic forecasts over the long term is highly unlikely.

With the backdrop of this academic research, we favor investments such as mutual funds and exchange traded funds (ETFs) that:

1. Incur low costs;
2. Actually own the types of securities we wish clients to own on a continual basis;
3. Provide broad diversification among each type of security;
4. Are created and maintained by financially sound organizations; and

5. Are available through an active marketplace making them easier to sell for cash when needed.

Further, we typically recommend against:

1. Higher cost investments or strategies;
2. Products or strategies that rely on trading skill;
3. Products or strategies that rely on market timing skill;
4. Products or strategies with poor liquidity;
5. Products or strategies that lack transparency;
6. Products or strategies that are not broadly diversified;
7. Products or strategies that rely on economic forecasts to succeed; and
8. Individuals trading securities or trying to time the markets in an attempt to beat the market.

Examples of specific products we typically reject include hedge funds, private equity, non-public real estate products, managed futures, and indexed annuities.

Some investment portfolios may also include individual fixed income holdings (bonds, C.D.s, etc.). Individual fixed income securities typically offer known income and maturity payments but can be more difficult to sell for cash than mutual funds and ETF's. Therefore, we are more inclined to purchase and hold individual fixed income securities when we believe the client has an adequate amount of cash and investments easily sold for cash.

Other risks with fixed income securities come from the length of the term and credit quality of the organization issuing the security. To manage term risk, we favor short to intermediate term bonds. Compared to short to intermediate term issues, long-term bond issues do not typically pay enough additional interest to compensate for the higher price fluctuations that can occur. Concerns about an issuer's ability to make payments on time is often called "credit risk". Just as an individual with slow or bad credit pays higher interest rates when they take out a loan, issuers with weaker credit must pay more to investors. To manage credit risk, we generally avoid "high yield" or "junk" bonds and all individual fixed income securities recommended will be investment-grade at the time of recommendation.

Client portfolios may also include some individual equity securities, but these are generally part of clients' investment holdings prior to becoming a client of MFT. Clients can instruct us to hold certain securities by making such request in writing, but doing so may expose clients to risks unique to those individual securities that can be minimized through greater diversification. Individual securities can become worthless. For a mutual fund invested in hundreds of similar securities, becoming worthless is almost impossible. Mutual funds can suffer large losses but are generally much safer than individual securities. In an interview in Investment Advisor magazine (April 2010), Yale University finance professor Roger Ibbotson pointed out that in 2008, about 25% of U.S.-listed stocks lost at least 75% of their value. But only four (less than .06%) of the more than 6,600 open-ended mutual funds that invest in U.S. stocks lost more than 75% that year.

New clients' existing investments are evaluated in light of the desired investment policy objectives. We work with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship.

To identify attractive holdings and to examine holdings our clients bring to us when we begin our relationship with them, our security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, and academic white papers and periodicals. Prospectuses, statements of additional information, other issuer-prepared information, and data aggregation services (Morningstar Advisor, etc.) are also utilized. Investment Committee members and advisors also attend various investment and financial planning conferences.

Clients may place restrictions upon the investments to be held in an investment portfolio. We will attempt to educate the client as to the potential impact of restrictions placed on the client's accounts with respect to the specific securities clients want to hold or avoid. However, because of our use of broadly diversified mutual funds and ETF's, our ability to avoid investments in a specific company or industry in accordance with a client's wishes may be limited.

Disciplinary Information

There is not now, nor has there ever been, any legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory business or the integrity of Moisand Fitzgerald Tamayo, LLC, or any of its management.

Other Financial Industry Activities and Affiliations

Other financial industry activities and affiliations can create conflicts with our clients' interests. To eliminate such conflicts, MFT adheres to the following principles:

A. None of our management persons are registered, or have an application pending to register, or are registered as a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of these entities.

B. We have no relationship or arrangement that is material to our advisory business or to our clients with any related person listed below:

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. 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);
3. Other investment adviser or financial planner;

4. Futures commission merchant, commodity pool operator, or commodity trading advisor;
5. Banking or thrift institution;
6. Accountant or accounting firm;
7. Lawyer or law firm;
8. Insurance company or agency;
9. Pension consultant;
10. Real estate broker or dealer; or
11. Sponsor or syndicator of limited partnerships.

C. When we recommend or select other investment advisers or professionals for our clients, we receive no compensation directly or indirectly from those advisers that create a material conflict of interest and we have no other business relationships with those advisers that create a material conflict of interest.

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

A complete copy of MFT's Code of Ethics is available upon request. MFT does not recommend securities in which any related person of MFT has a material financial interest. The following is a brief summary:

A. Standards of Conduct

This Code of Ethics consists of the following core principles:

- (1) Employees are expected to act in the best interest of each of our clients and the interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- (2) Employees will strive to avoid any actual or perceived conflict of interest with the client. Further, employees are expected to conduct their personal securities transactions in accordance with MFT's Personal Trading Policy.
- (3) Employees will not take inappropriate advantage of their position with the firm.
- (4) Employees are expected to comply with federal securities laws. Strict adherence to the MFT Compliance Manual will assist the employee in complying with this important requirement.

B. Protection of Client Information

As more fully discussed within our Privacy Policy and stated in the MFT Confidentiality Agreement signed by all employees of the firm, employees are expected to exercise diligence and care in maintaining and protecting our client's nonpublic, confidential information.

Employees are also expected to not divulge information regarding MFT securities recommendations to, transactions of, or holdings of a specific client to any individual outside of the firm.

C. Personal Conduct

As noted above, employees are expected to conduct themselves with the utmost integrity and to avoid any actual or perceived conflict of interest with our clients. In this spirit, the following are required of employees:

(1) Acceptance of Gifts

Employees are prohibited from receiving any gift, gratuity, hospitality or other offering of more than *de minimis* value (\$100) from any person or entity doing business with MFT, or soliciting business from MFT, without consent of the Chief Compliance Officer (CCO).

(2) Service as Director for an Outside Company

Any employee wishing to serve as director for an outside company (public or private) must first seek the approval of the CCO.

(3) Outside Business Interests

Any employee wishing to engage in business activities outside of MFT's business must seek approval from the CCO and, if requested, provide periodic reports to the CCO summarizing those outside business activities.

(4) Annual Employee Acknowledgement

New employees must acknowledge they have read and they understand and agree to comply with this Code of Ethics and Personal Trading Policy and reaffirm such annually.

(5) Personal Securities Transactions of MFT Personnel

As fiduciaries, Moisand Fitzgerald Tamayo, LLC and its advisors have a duty to purchase only securities it believes to be in the client's best interest. Because we believe strongly in the quality of our recommendations, MFT or individuals associated with MFT are encouraged to use the same securities MFT recommends to clients in their own accounts and the accounts of employees' family members. Employees are expected to avoid any trading in personal accounts or family accounts that appear to seek to profit from MFT trading in client accounts. Since trading in the same securities as those recommended to clients may create

conflicts of interest, MFT has placed restrictions on personal trading including: placing employee trades in any block trade being made for the same security in client accounts on the same day and allocating these trades on an average price basis, and establishing waiting periods between personal trades and client trades.

MFT's Personal Trading Policy also places restrictions and/or prohibitions on personal trading in options, initial public offerings (IPO's), private placements, short sales, principal and cross agency transactions, and individual bond transactions.

All employees report and attest to their personal trading activity quarterly and report all holdings annually. The CCO reviews these reports and keeps records of these transactions in an effort to identify any trading that could be a conflict with client trades. All conflicts are resolved in the favor of the client(s).

(6) Use of Source Material

Any investment related material referencing MFT or bearing MFT's name or logo must first be submitted to the CCO prior to presentation to outside parties.

(7) Communications with Clients through Radio, Television and Other Media

Associates of MFT are encouraged to participate in lectures, seminars, and media appearances where the purpose of such communications is to provide investment advice or explain the services offered through MFT. However, the associate must submit to the CCO for approval, prior to presentation, an outline of any speech or lecture to members of the general public which discusses investments in general or specific securities currently recommended by MFT. In situations where an Associate is asked her/his opinion on the investment merits of a security, the associate should make it clear to the audience that any opinion given is her/his own and is not to be construed as investment advice specific to that client or necessarily the investment advice of MFT.

All employees are required to report promptly any violation, or apparent violation, of this policy to the CCO (including the discovery of any violation committed by another employee). Examples of items that should be reported include but are not limited to: noncompliance with federal securities laws, conduct that is harmful to clients and purchasing securities contrary to the Code of Ethics Policy. Upon discovering a violation of this policy, the CCO may impose disciplinary action or dismissal as deemed appropriate, including disgorgement of profits, reversal of the trade or suspension of trading privileges.

Brokerage Practices

Moisand Fitzgerald Tamayo, LLC participates in an institutional services program offered to independent investment advisors by Charles Schwab & Co., Inc., and TD Ameritrade, both of whom are FINRA registered broker dealers. Brokerage and custodial services from either Charles Schwab & Co., or TD Ameritrade are recommended but not required. The client approves the selection of broker through the application process.

MFT is independent of and not employed in any way by any brokerage, insurance or other financial firm.

There is no direct linkage between the investment advice given and participation in either program. However, MFT receives benefits for its clients that it would not receive if it did not use their services as described in the following paragraph. MFT also uses other brokerage services at its discretion to buy individual bonds for certain larger client portfolios. While there are several such brokerage firms which provide design proposals and bond portfolio analyses to us upon demand, MFT receives neither compensation from these brokers nor any indirect economic benefits. We decide which broker to use based upon bond selection and price.

Moisand Fitzgerald Tamayo, LLC does not receive any direct compensation or commissions from any broker-dealer, including Charles Schwab & Co., Inc., or TD Ameritrade. MFT does receive indirect economic benefits in the form of value added services which benefit clients both directly and indirectly through these brokers as follows: receipt of duplicate client confirmations, research reports and materials, including bulletins on compliance regulations, access to exclusive institutional trading desks and service support teams, access to block trading which provides the ability to aggregate securities transactions at a possibly lower cost and allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from client accounts, access to an electronic communication network for funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors, and daily electronic downloads of brokerage account balances and transactions which enable MFT to maintain detailed client account information in MFT computer systems. These benefits accrue simply due to the existence of the institutional relationship between MFT and the custodian firms and are not contingent upon any particular type or level of trading activity or use of any products.

Generally, many of these services may be utilized to service all or a substantial number of our clients' accounts. Educational, research, or other services provided by custodians may benefit all of MFT's or, may benefit only some clients. While as a fiduciary, MFT endeavors to act in its clients' best interests, our recommendation that clients maintain much of their assets in accounts at Charles Schwab & Co., Inc., or TD Ameritrade may be based in part on the benefit to our firm of the availability of some of the foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. MFT's clients may, therefore, incur higher costs than those charged by other discount brokers. However, we have negotiated fees with the custodians we recommend, and we have selected these custodians for their generally low fees relative to other large custodians. Also, please note that we prefer to recommend custodians who possess significant size and financial resources for the purpose of enhanced safety of

clients' funds. For all of these reasons, the lowest cost custodian for clients may not be recommended to clients by MFT.

Should a client direct MFT to use a broker other than those recommended by MFT, MFT may not be able to negotiate commission rates on the client's behalf, obtain better pricing through "block trades", have its trade and information requests honored, or obtain the indirect benefits for clients described.

MFT does not participate in the client referral programs which may be sponsored by Charles Schwab & Co., Inc., or TD Ameritrade.

MFT evaluates the quality of execution services of Charles Schwab, Inc. and TD Ameritrade annually and compares these services to other custodial firms. MFT recognizes that the analysis of execution involves a number of factors, both qualitative and quantitative. This review will consider some or all of the following:

A. Cost of Execution

MFT compares the costs of market and limit orders, costs of buying, selling or swapping transaction fee mutual funds, and trade-away fees and spreads on fixed income securities.

B. Capability and Quality of Execution

Evaluating the relative execution of order handling ability (e.g., speed), as well as the order size, trading character of the security, the ability to find buyers and sellers, access to markets, integrity, reputation, financial stability, the frequency of failed trades, error policies, history of fair error resolution, reliability, and good record keeping.

C. Trading Systems and Platforms

Ease of use, simplicity, reliability and functionality of various trading applets (via online, phone, etc.), the ability to perform block trading and price averaging, and the ability to interface with current portfolio management software are examined.

D. Other Considerations

MFT evaluates the availability of mutual funds and fixed income inventory. Client service issues (new account process, ability to transfer securities, dedicated customer service, transferring of funds, number of funds available on platform, holding/cost of holding non-standard assets, speed of service, attitude, etc.) are taken into consideration.

Trade Aggregation and Allocation

When trades are placed for the same security among multiple accounts, MFT may be able to improve the price at which the trade is executed by “aggregating” the trades. MFT’s procedures seek to allocate such aggregated trades among clients in the fairest possible way taking into account clients’ best interests.

In summary:

- (1) MFT may allocate equity trades for the same security. This allows all the trades to be placed when they come in and allocate all of the equity trades at the same average price.
 - (2) When a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, the trade will only be performed for that account.
- B. Instances in which client orders will not be aggregated include, but are not limited to, the following:
- (1) Clients directing MFT to place a trade at a specified price or time;
 - (2) Traders and/or portfolio managers determine that the aggregation is not appropriate because of market conditions;
 - (3) Portfolio managers must effect the transactions at different prices, making aggregation unfeasible; and
 - (4) Client’s accounts that are held at different custodians, where coordinating trades on different trading systems is not feasible.

Review of Accounts

Each client’s portfolio holdings and strategic asset allocation are normally reviewed twice each quarter, but no less frequently than quarterly when we create our quarterly reports to clients. For accounts held at our primary custodians, Schwab Institutional and TD Ameritrade Institutional, we receive downloads directly from these firms that allow us to track all account activity. We reconcile all trading activity daily. Our staff generates weekly reports describing the amount and types of activities in and out of all accounts. These reports are reviewed by our Financial Advisors. Financial Advisors also review reports that present information regarding every holding owned by our clients through these custodians.

In addition to these periodic reviews, we will review client holdings and portfolio structure after certain events, such as a significant market rise or fall. We also conduct such reviews when we

are informed of substantial changes to a client's personal situation or cash flow needs, usually in conjunction with an update to their financial plans.

While Custodian(s) provide clients with periodic reports listing all assets held by Investor, values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals, MFT sends reports of supplemental information quarterly. These reports typically include:

- a) MFT's newsletter
- b) Asset Allocation Summary Report — actual versus target
- c) Performance results
- d) Position Summary Report (provides details of all individual securities for each account)
- e) Billing Statement

A wide variety of other reports can be distributed to clients by MFT. Among these reports are an annual listing of all account activity, an accounting of realized gains and losses to assist in tax preparation, and a summary of fees charged for clients that may be able to deduct MFT advisory fees on their tax return.

Client Referrals and Other Compensation

Moisand Fitzgerald Tamayo, LLC does not pay referral, finders, solicitation or any other fees to acquire new clients. MFT pays to participate in listing services with the Financial Planning Association and the National Association of Personal Financial Advisors. However, these are flat fees of nominal amounts paid merely to be listed and are in no way related to whether introductions to prospective clients or client engagements result.

MFT's policy is to not participate in "pay to play" listings of top advisors. All accolades given to the firm, such as being named a top firm by *Financial Advisor*, *Wealth Manager*, and *Orlando Business Journal* were the result of factual quantitative criteria of the publications and no participation or application fees were involved.

Likewise, individual accomplishments such as Mr. Tamayo's appointment to the Editorial Review Board and Advisory Board of the *Journal of Financial Planning*, Mr. Fitzgerald's offices with the FPA of Florida and receipt of the *Heart of Financial Planning Distinguished Service Award* from FPA nationally, and Mr. Moisand being featured as one of the America's top independent financial advisors by *Financial Planning*, *Financial Advisor*, *Investment Advisor*, *Investment News*, *Journal of Financial Planning*, *Accounting Today*, *Research*, *Wealth Manager*, and *Worth* magazines all came about with no payments to anyone.

Custody

Moisand Fitzgerald Tamayo, LLC does not take custody of client assets or funds except to the extent we request the client's custodian to deduct advisory fees directly from client accounts. The following procedures are designed to help ensure MFT does not inadvertently obtain further custody (other than by the deduction of advisory fees noted above) over client assets:

- A. We will not hold client securities in MFT's name or in bearer form.
- B. We will not require clients to prepay greater than \$1,200 in fees 6 months or more in advance.
- C. Proceeds from the redemption of client securities may not be directed to MFT.
- D. We may not have signatory power over a client's checking or custodial account.
- E. An employee may not serve as trustee over a client's account, unless the client is an immediate family member of the employee.
- F. All wires from client custodial accounts to outside accounts must be accompanied by written client authorization.
- G. We may not serve as both general partner and adviser to a limited partnership
- H. Annually, MFT will conduct a review of all outside accounts for which we have password access to assure that the disbursement of funds from these accounts to any party other than the account owner or any account not controlled by the outside account owner is prohibited without written authorization from the client.

All client assets will be held by a qualified custodian, which may include a broker-dealer, bank or foreign financial institution. Further:

1. Original custodial statements will be delivered directly to the client by the custodian, not MFT, on at least a quarterly basis. MFT makes due inquiry to assure such statements are delivered but clients should report any non-delivery to MFT. These statements should be reviewed carefully by clients.
2. Additionally, MFT will send supplemental reports and a fee calculation quarterly. Clients should compare the custodians' statements to MFT's reports. Custodians are not responsible for verifying the accuracy of MFT's reports or its fee calculations.

3. Custodial accounts are opened by clients. MFT may assist the client in preparing the paperwork for a new custodial account, but the client is required to authorize any new custodial account in writing.

Investment Discretion

It is the practice of MFT that clients establish the high level policies for the management of their investments collaboratively with MFT and MFT takes care of the investment details.

To do this, Moisand Fitzgerald Tamayo, LLC accepts discretion over clients' accounts. This means that clients authorize MFT to place trades without conferring with the client about the specific trades, when MFT believes it is in the clients' interest to have such trades executed. Since MFT receives no compensation from the firms executing the trades or from any products purchased or sold for clients, MFT has no financial incentive to favor heavy trading nor does it have a financial incentive to trade sparingly.

"Discretion" does not mean that MFT has carte blanche nor does it mean that MFT may trade on whims. Clients can place limitations on our discretion by indicating such on the client agreement or their investment policy statements (IPS). The IPS outlines the risk/reward characteristics of a portfolio design. The IPS is created collaboratively with clients to reflect their needs, goals, resources, challenges, and preferences. MFT's fiduciary responsibilities mandate a level of attention, due care, loyalty and due diligence not found in a brokerage relationship in which clients must instruct an agent of the brokerage firm to place transactions.

Each client's grant of discretion is evidenced in the client agreement and any addendums signed by the client, and is further evidenced to the custodians through a limited power of attorney contained in the account establishment form signed by the client or a separate limited power of attorney document signed by the client. Nearly all clients appoint MFT as the client's agent and attorney-in-fact with respect to undertaking trades in client accounts. MFT's ability to enter trades electronically for clients often provides reduced transaction fees and other benefits to the client.

Voting Client Securities

Many clients find the volume and complexity of proxy materials challenging. Accordingly, MFT offers to vote proxies for its clients. It is purely the client's decision whether the firm votes the proxies for them. If MFT is to vote proxies, the custodian will forward the proxy materials to MFT rather than the client. Upon establishment of a new account, clients will notify the custodian whether or not MFT will be voting proxies by indicating such on the custodian's account application.

MFT maintains a proxy voting policy that is designed to ensure proxies are voted in the clients' best economic interest, when the responsibility for voting client proxies rests with MFT. If a client has provided MFT with specific guidelines by written notice for voting proxies on its

behalf, MFT will follow those guidelines; otherwise, MFT's proxy voting policy outlines the general principles followed by MFT in voting proxies.

A copy of the complete proxy voting policy is available upon written request. Clients may also request in writing a record of all votes cast on their behalf in the last 5 years. MFT will keep on file any material documents it creates supporting why it voted in a particular manner.

In evaluating a particular proxy proposal, MFT takes into consideration how the proposal may impact our clients, the period of time the shares of the company will be held, size of position, costs involved in the proxy proposal, and management's assertions regarding the proxy proposal. In all cases, MFT strives to vote all proxies in the best economic interest of its clients.

MFT will generally support management's recommendations on proxy issues, since management's ability is a key factor considered in owning equity securities for client portfolios. MFT believes a company's management should generally have the latitude to make decisions related to the company's business operations. However, when MFT believes the company's management is acting in an inconsistent manner with our clients' best interests, we will vote against management's recommendations. For example, common "against" votes include fee increases, change of investment objectives, and changes to investment restrictions for securities such as mutual funds and exchange-traded funds.

MFT may encounter a material conflict in voting client proxies and has a duty to recognize such conflict and to resolve the conflict before voting the proxy. In the event a material conflict of interest arises, the CCO will review such conflict and determine what action is in the client's best interest.

Financial Information

We believe clients should only pay us for as long as they wish to retain our services. Details of how we bill are found in Item 5 of this brochure. Because we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, no disclosure of our balance sheet is required for our most recent fiscal year. However, we are obligated to disclose any financial condition or issue that is reasonably likely to impair our ability to meet contractual commitments to clients.

We do not know of any financial condition or issue that is reasonably likely to impair our ability to meet contractual commitments to clients.