

Item 1 - Cover Page

USAfolios, LLC

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This brochure provides information about the qualifications and business practices of USAfolios, LLC. If you have any questions about the contents of this brochure, please contact us at (704) 442-1094 or DJEvans@USAfolios.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

USAfolios, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about USAfolios, LLC also is available on the SEC's website at www.AdviserInfo.sec.gov.

Item 2 - Material Changes

This is the initial Brochure for USAfolios, LLC, and is prepared according to the SEC's new requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We will further provide you with a new Brochure as necessary based on changes, new information, or at your request, at any time, without charge.

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Item 4 - Advisory Business

General Information

USAfolios, LLC ("USAfolios") was formed in 2013. The firm actively manages five (5) separate strategies, ranging from aggressive growth to income, utilizing Exchange Traded Funds ("ETFs") almost exclusively. From time to time, in order to gain exposure to commodities, USAfolios may also incorporate Exchange Traded Notes ("ETNs").

Dan Evans and Gorelick Brothers Capital, LLC are the sole principal owners of USAfolios. Please see ***Brochure Supplement***, Exhibit A, for more information on Mr. Evans.

USAfolios is a newly formed Registered Investment Advisory firm and does not currently have any assets under management.

SERVICES PROVIDED

USAfolios provides active management of passive investments by using ETFs to manage five risk-based asset allocation models (the "Models"). In a unique approach, powered by the relative strength methodology of Dorsey Wright & Associates, the goal of USAfolios' strategy is to capture the opportunities in the market that may be missed with traditional "buy and hold" strategies.

The Models are rules-based, with minimum and maximum exposure rules within each of six major asset classes – domestic equities, international equities, fixed income, commodities, currencies and cash.

USAfolios manages the Models on a discretionary basis. As a discretionary investment adviser, USAfolios will have the authority to supervise and direct the investments in each of the Models on an ongoing basis. USAfolios does not offer asset allocation, risk assessment or financial planning services to clients or Participants in retirement plans where the USAfolios Models are available investment options. Once a client/Plan Participant determines that one or more Models is suitable or remains suitable for his or her financial situation, the proportion of the client's/Plan Participant's assets to be invested in the Model(s) is determined by the client/Plan Participant.

Item 5 - Fees and Compensation

General Fee Information

Fees paid to USAfolios are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to USAfolios are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, USAfolios and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Fees generally are set at 0.60% per year. USAfolios may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where USAfolios deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in arrears. If management begins after the start of a quarterly, fees will be prorated accordingly. With client authorization, unless other arrangements are made, fees are normally debited directly from client accounts.

Either USAfolios or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. Either USAfolios or the client may terminate the Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any fees due to USAfolios from the client will be calculated based on the number of days that the account was managed and invoiced or deducted from the client's account.

Item 6 - Performance-Based Fees and Side-By-Side Management

USAfolios does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because USAfolios has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

USAfolios generally serves pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. USAfolios does not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Clients may choose to invest in one or more of the Models offered by USAfolios. USAfolios will provide information regarding the specific strategy of each Model, which may help the client decide with Model(s) to select; however USAfolios does not generally advise as to which Model(s) is/are more appropriate for any given client.

Methods of Analysis

ETFs and ETNs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

USAfolios has partnered with Dorsey Wright & Associates to implement the strategies of each of the Models. Dorsey Wright has been a leading provider of technical research to financial professionals for over 25 years. The basis for the Models will incorporate other methods of analysis, such as:

Point and Figure Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market, asset classes, ETFs/ETNs and specific stocks within those ETFs/ETNs.

Investment Strategies:

The general investment methodology of USAfolios is to implement a rules-based approach for each of their Models. Individual clients/Plan Participants select one or more of the risk-based Models, depending upon each client's specific risk profile.

Asset class rotation, sector rotation and security selection are driven by Dorsey Wright's Relative Strength Methodology. Data for this analysis is provided by Dorsey Wright.

Risk of Loss

All investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face and should be prepared to bear.

Strategy Risks. While USAfolios sets the rules for each Model based on USAfolios' experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying ETFs and/or ETNs in which they are invested. Accordingly, client investment portfolios are subject to the risk that USAfolios allocates assets within the Models to ETFs, ETNs or asset classes that are adversely affected by unanticipated market movements, and the risk that USAfolios' Model investment choices could underperform their relevant blended indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, USAfolios manages ETF Model portfolios, with occasional potential inclusion of ETNs. Both ETFs and ETNs are considered to be pooled investment funds. Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. The Models managed by USAfolios will often include a portion directly into equity markets. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. The Models will often also include varying proportions invested in fixed income ETFs/ETNs. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default

by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. Finally one or more Models may include investing portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of USAfolios or the integrity of USAfolios' management. USAfolios has no disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

Neither USAfolios nor its Management Person has any other financial industry activities or affiliations to report.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

USAfolios has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. USAfolios' Code has several goals. First, the Code is designed to assist USAfolios in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, USAfolios owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with USAfolios (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for USAfolios' associated persons. Under the Code's Professional Standards, USAfolios expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, USAfolios associated persons are not to take inappropriate advantage of their positions in relation to USAfolios clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time USAfolios' associated persons may invest in the same securities recommended to clients. Under its Code, USAfolios has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

Participation or Interest in Client Transactions

As outlined above, USAfolios has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, USAfolios' goal is to place client interests first.

Consistent with the foregoing, USAfolios maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions.

Finally, if associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with USAfolios' written policy.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, USAfolios seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, USAfolios may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of USAfolios' clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

USAfolios participates in the service programs (each a "Program") of one or more broker/dealers. While there is no direct link between the investment advice USAfolios provides and participation in the program(s), USAfolios receives certain economic benefits from the Program(s). These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of USAfolios' fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of USAfolios' accounts, including accounts not held at a broker/dealer sponsoring a Program. Such broker/dealers may also make available to USAfolios other services intended to help USAfolios manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, broker/dealers may make available, arrange and/or pay for these types of services to be rendered to USAfolios by independent third parties. Broker/dealers may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to USAfolios, and may pay for travel expenses relating to participation in such training.

The benefits received through participation in the Program(s) do not necessarily depend upon the proportion of transactions directed to the sponsoring broker/dealer. The benefits are received by USAfolios in part because of commission revenue generated for the sponsoring broker/dealer by USAfolios' clients. This means that the investment activity in client accounts is beneficial to

USAfolios because the sponsoring broker/dealer does not assess a fee to USAfolios for these services. This creates an incentive for USAfolios to continue to recommend the sponsoring broker/dealer(s) to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, USAfolios believes that the sponsoring broker/dealer(s) provide an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platform offered by the sponsoring broker/dealer.

Directed Brokerage

Clients may direct USAfolios to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that USAfolios has with the sponsoring broker/dealer(s) is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing USAfolios to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with USAfolios that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

USAfolios typically directs trading in individual client accounts as and when trades are appropriate based on changes to the Model(s) selected by the client, without regard to activity in other client accounts. However, from time to time, USAfolios may aggregate trades together for multiple client accounts. If such an aggregated trade is not completely filled, USAfolios will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by USAfolios or its officers, directors, or employees will be excluded first.

Item 13 - Review of Accounts

USAfolios' Models are reviewed on a continuous basis by Dan Evans, Chief Investment Officer. When the rules and analysis indicate the need to change a Model, this change is then applied to all individual accounts subscribed to that Model.

Account custodians and/or third party administrators are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians and/or third party administrators also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms.

Item 14 - Client Referrals and Other Compensation

As noted above, USAfolios may receive an economic benefit from a sponsoring broker/dealer in the form of support products and services it makes available to USAfolios and other independent investment advisors that have their clients maintain accounts at such broker/dealer. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of products and services to USAfolios is based solely on our participation in the program(s) and not in the provision of any particular investment advice. USAfolios does not pay any party for client referrals.

Item 15 - Custody

It is the responsibility of the custodian and/or third party administrator to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify USAfolios of any questions or concerns. Clients are also asked to promptly notify USAfolios if the custodian and/or third party administrator fails to provide statements on each account held.

From time to time and in accordance with USAfolios' agreement with clients, USAfolios may provide additional reports pertaining to the Models.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, USAfolios manages the Models on a discretionary basis. This means that after the rules have been established for each Model, USAfolios will execute the rules-based strategy without specific consent from the client for each transaction.

Item 17 - Voting Client Securities

As a policy and in accordance with USAfolios' written agreement with clients, USAfolios does not vote proxies related to securities held in client accounts.

Item 18 - Financial Information

USAfolios does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.