

Brochure

Form ADV Part 2A

Item 1 - Cover Page

USAfolios, LLC

CRD# 169785

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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) 926-7845 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 Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. Various state regulations require us to either deliver or offer to deliver the Brochure at least annually, and we will comply with these regulations. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 20, 2014. Of course the complete Brochure is available to clients at any time upon request.

Item 3 - Table of Contents	Page
Item 1 - Cover Page	1
Item 2 - Material Changes.....	1
Item 3 - Table of Contents	2
Item 4 - Advisory Business	3
Item 5 - Fees and Compensation	4
Item 6 - Performance-Based Fees and Side-By-Side Management	4
Item 7 - Types of Clients	4
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 - Disciplinary Information	6
Item 10 - Other Financial Industry Activities and Affiliations	7
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Item 12 - Brokerage Practices	7
Item 13 - Review of Accounts	9
Item 14 - Client Referrals and Other Compensation	9
Item 15 - Custody.....	10
Item 16 - Investment Discretion.....	10
Item 17 - Voting Client Securities	10
Item 18 - Financial Information.....	10
Item 19 - Requirements for State-Registered Advisers	10
Brochure Supplement.....	Exhibit A

Item 4 - Advisory Business

General Information

USAfolios, LLC ("USAfolios") was formed in 2013. The firm provides active management of passive investments by primarily using exchange traded funds (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.

Dan Evans is the sole principal owner of USAfolios. Please see ***Brochure Supplement***, Exhibit A, for more information on Mr. Evans.

As of November 25, 2014, USAfolios managed \$17,195,118 on a discretionary basis, and no assets on a non-discretionary basis. USAfolios does not participate in or offer any wrap programs.

SERVICES OFFERED

At the outset of each client relationship, USAfolios assists the client in determining the most appropriate investment options. Based on its reviews, USAfolios generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan determines the strategic asset allocation USAfolios will target on behalf of the client to meet those goals. The Profile and the Plan are reviewed regularly with each client, but are not necessarily written documents.

To implement the client's Investment Plan, USAfolios will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, USAfolios will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on USAfolios in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of USAfolios.

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 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.

Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

<u>AUM</u>	<u>Annual Rate</u>
First \$5,000,000	0.75%
Next \$5,000,000	0.50%
Over \$10,000,000	0.30%

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 monthly, in arrears. Contributions to the portfolio occurring on a date other than the first day of a month will be charged a pro-rated portion of the portfolio management fee for that month based on the number of days remaining in that month. This applies to initial, as well as any follow-on contributions. 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. 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 individuals. 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

Methods of Analysis

In accordance with the Investment Plan, USAfolios will primarily invest in ETFs and ETNs (exchange traded notes). 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 uses technical research provided by 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:

USAfolios' strategic approach is to invest each portfolio in the appropriate Model(s) in accordance with the Plan that has been developed specifically for each client.

The general investment methodology of USAfolios is to implement a rules-based approach for each of their Models. 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.

Options Risk. A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

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 (i.e., 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

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by USAfolios. These factors may include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Dan Evans, USAfolios' Managing Member, reviews all accounts.

Account custodians 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 also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. USAfolios will provide additional written reports as needed or requested by the client.

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 custodian's responsibility 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 fails to provide statements on each account held.

From time to time and in accordance with USAfolios' agreement with clients, USAfolios will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, USAfolios manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, USAfolios will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving USAfolios the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client, and the withdrawal of advisory fees directly from the account. USAfolios then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with USAfolios and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between USAfolios and the client.

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 \$500 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.

Item 19 - Requirements for State-Registered Advisers

Dan Evans is the principal executive officer and management person of USAfolios. His background information is provided elsewhere in this Form ADV (please see Brochure Supplement).

Dan does not conduct outside business activities. Neither USAfolios nor any Supervised Person of USAfolios is compensated on a performance-fee basis. Neither the firm nor its Management Person has any disciplinary history requiring disclosure, and neither USAfolios nor its Management Person has any relationship or arrangement with any issuer of securities.

No other disclosure is required under this item.

Exhibit A

Brochure Supplement

Form ADV Part 2B

Item 1 - Cover Page

Daniel Joseph Evans

CRD# 2277583

of

USAfolios, LLC

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(704) 926-7845

January 7, 2015

This brochure supplement provides information about Dan Evans, and supplements the USAfolios, LLC ("USAfolios") brochure. You should have received a copy of that brochure. Please contact us at (704) 926-7845 if you did not receive USAfolios brochure, or if you have any questions about the contents of this supplement.

Additional information about Dan is available on the SEC's website at www.AdviserInfo.sec.gov.

Item 2 - Educational Background and Business Experience

Daniel J. Evans (year of birth 1961) is the Managing Member and Chief Investment Officer of USAfolios. Dan was a Director and Portfolio Manager at Biltmore Family Office, LLC from 2013-2014. He brings more than 20 years of experience in managing investment portfolios for high net worth clients. Dan was Managing Director with New York based Griffin Asset Management from 2012-2013 and was Senior Vice President and Portfolio Manager from 2004-2012 with US Trust in Charlotte. Before joining US Trust, Dan was with Nicholas Advisors in NYC.

Dan started his investment management career in Boston with the Personal Trust division of Fidelity Investments from 1993 to 1998 and with BankBoston's Trust division from 1998-2000. He is a 1983 graduate of the U.S. Naval Academy and served for six years as a Submarine Supply Officer and Flag Assistant to the Comptroller of the Navy. Dan received his MBA from London Business School in 1991.

Item 3 - Disciplinary Information

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Dan has no such disciplinary information to report.

Item 4 - Other Business Activities

Dan is not engaged in any other business activities.

Item 5 - Additional Compensation

Dan is not engaged in any other investment-related business or occupation, and does not earn compensation for the sale of any other products or services.

Item 6 - Supervision

Dan Evans is a Managing Member and also serves as the Chief Compliance Officer of USAfolios. As Chief Compliance Officer, Dan is responsible for supervisory oversight to the staff. He also participates as a team member in the investment and trading processes, and may be contacted at (704) 926-7845.

Item 7 - State Requirements for State-Registered Advisers

In addition to Item 3 above, state-registered advisers are required to disclose all material facts regarding any event in which a supervised person of the firm was found liable in certain legal proceedings, or was the subject of a bankruptcy petition. Dan has no event to disclose with respect to this item.