



Brochure
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This brochure provides information about the qualifications and business practices of Warren Averett Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (205) 979-4100 or justin.russell@WAasset.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 Warren Averett Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Warren Averett Asset Management, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

The majority of Warren Averett Asset Management, LLC's (the "Registrant") disclosure statement has remained unchanged since its last Annual Amendment filing on March 24, 2014.

The Registrant's Chief Compliance Officer, Justin Russell, remains available to address any questions that a client or prospective client may have regarding the above material changes.

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Item 4 **Advisory Business**

- A. Warren Averett Asset Management, LLC (the “Registrant”) is a limited liability company that was formed on July 7, 1999 in the State of Alabama. The Registrant became registered as an Investment Adviser Firm in November 1999. The Registrant is owned by Warren Averett Companies, LLC. Joshua L. Reidinger is the Registrant’s President.
- B. As discussed below, the Registrant offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment management fee shall vary (up to 1.50% of the total assets placed under the Registrant’s management/advisement) and shall be based upon **various objective and subjective factors**, including, but not limited to, the amount of the assets placed under the Registrant’s direct management, the amount of the assets placed under the Registrant’s advisement, location of the Registrant’s advising office, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. The Registrant has included the fee schedules for illustrative purposes in Item 5A below. Not all clients will receive services at the published rates below. (**See also Fee Differential** discussion below).

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable, but generally range from \$500 to \$50,000 on a fixed fee basis, and from \$75 to \$375 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be

provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the Registrant's representatives in their individual capacities as certified public accountants. (**See** disclosure at Items 10 C.1 below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of the Registrant in their separate licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Fee Differentials. As indicated above, the Registrant shall price its services based upon various objective and subjective factors. As a result, Registrant's clients could pay diverse fees based upon the market value of their assets, the location of the advising office, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by the Registrant to any particular client could be

available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Please Note: Retirement Rollovers-No Obligation/Conflict of Interest: A client or prospective client is under absolutely no obligation to engage Registrant as the investment adviser for his/her employer sponsored retirement account. Rather, a client can continue to self-direct his/her retirement account at his/her employer. If the client determines that he/she would like the Registrant's assistance, the Registrant shall charge a separate and additional advisory fee for its ongoing advisory services. The client will not incur this separate and additional advisory fee if he/she determines to continue to self-direct his/her account. As a result, any recommendation by the Registrant that a client engage Registrant to manage his/her retirement account presents a conflict of interest since the Registrant shall derive an economic benefit from such engagement. Again, a client is under absolutely no obligation to engage the Registrant as the investment adviser for his/her retirement account. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions that a client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.

Independent Managers. The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which Registrant's investment advisory fee shall range from 0.15% to 1.25% of assets under management. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage the Registrant on a non-discretionary investment advisory basis **must be willing to accept** that the Registrant cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the

client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2014, the Registrant had \$1,027,503,096.91 in assets under management on a discretionary basis and \$775,726,857.94 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, the Registrant's annual investment management fee shall vary (up to 1.50% of the total assets placed under the Registrant's management/advisement) and shall be based upon **various objective and subjective factors**, including, but not limited to, the amount of the assets placed under the Registrant's direct management, the amount of the assets placed under the Registrant's advisement, location of the Registrant's advising office, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. The Registrant has included the following fee schedules for illustrative purposes. Not all clients will receive services at the published rates below. (**See also Fee Differential** discussion above).

Fee Schedule: High Net Worth Clients

<u>Increment</u>	<u>Account Total</u>	<u>Incremental Charge</u>		<u>Upper-End Total Fee</u>	<u>Aggregate Fee</u>
First \$1,000,000	\$1,000,000	1.00%	\$10,000	\$10,000	1.000%
Next \$1,000,000	\$2,000,000	1.00%	\$10,000	\$20,000	1.000%
Next \$1,000,000	\$3,000,000	0.75%	\$7,500	\$27,500	0.917%
Next \$1,000,000	\$4,000,000	0.75%	\$7,500	\$35,000	0.875%
Next \$1,000,000	\$5,000,000	0.75%	\$7,500	\$42,500	0.850%
Next \$5,000,000	\$10,000,000	0.60%	\$30,000	\$72,500	0.725%
Next \$10,000,000	\$20,000,000	0.40%	\$40,000	\$112,500	0.563%
Over \$20,000,000			0.30%		

Fee Schedule: Institutional and Family Office Fee Schedule

<u>Incremental</u>	<u>Account Total</u>	<u>Incremental Charge</u>		<u>Upper-End Total Fee</u>	<u>Aggregate Fee</u>
First \$1,000,000	\$1,000,000	1.00%	\$10,000	\$10,000	1.000%
Next \$1,000,000	\$2,000,000	0.75%	\$7,500	\$17,500	0.900%
Next \$1,000,000	\$3,000,000	0.60%	\$6,000	\$23,500	0.800%
Next \$1,000,000	\$4,000,000	0.50%	\$5,000	\$28,500	0.725%
Next \$1,000,000	\$5,000,000	0.40%	\$4,000	\$32,500	0.660%
Next \$5,000,000	\$10,000,000	0.30%	\$15,000	\$47,500	0.480%
Next \$10,000,000	\$20,000,000	0.25%	\$25,000	\$72,500	0.365%
Over \$20,000,000			0.20%		

Fee Schedule: 401K Complete Fee

<u>Incremental</u>	<u>Incremental Charge</u>	<u>Account Total</u>	<u>Aggregate Fee</u>
First \$1,000,000	1.50%	\$1,000,000	1.50%
Next \$1,000,000	0.90%	\$2,000,000	1.20%
Next \$1,000,000	0.45%	\$3,000,000	0.95%
Next \$1,000,000	0.35%	\$4,000,000	0.80%
Next \$1,000,000	0.30%	\$5,000,000	0.70%
Next \$15,000,000	0.25%	\$20,000,000	0.36%
Next \$20,000,000	0.22%	\$40,000,000	0.29%
Additional	0.20%		
Minimum Fee \$15,000			
Administrative Fee:			
Per deferring participant	\$25		
Per non-deferring participant	\$25		

Please Note: (1) **Minimum Fee**-If a client maintains less than \$1.5 million of assets under Registrant's management, and is subject to the \$15,000 annual minimum fee, the client will pay a higher percentage Annual Fee than the 1.00% referenced in the above fee schedule; and (2) **Margin Accounts**-The Registrant **does not** recommend the use of margin. However, should a client determine to use margin, the Registrant will include the entire market value of the margined assets when computing its advisory fee. Accordingly, the Registrant's fee shall be based upon a higher margined account value, resulting in the Registrant earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since the Registrant may have an economic disincentive to recommend that the client terminate the use of margin. **The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions regarding the above.**

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$500 to \$50,000 on a fixed fee basis, and from \$75 to \$350 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance or arrears (according to the signed agreement), based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Fidelity Investments ("*Fidelity*"), Charles Schwab & Co., Inc. ("*Schwab*"), Pershing Advisor Solutions, LLC ("*Pershing*"), TD Ameritrade, Inc. ("*TDA*"), and/or Matrix Financial Solutions ("*Matrix*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity*, *Schwab*, *Pershing*, *TDA*, or *Matrix* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance or arrears (according to the signed agreement), based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires a \$1,000,000

minimum asset level for investment advisory services. The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter OR the Registrant shall deduct fees and/or bill the pro-rated portion of the arrears advisory fee based upon the number of days that the account was managed by the Registrant.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Rule 205-3 of the Investment Advisers Act of 1940 and similar state statutes and rules permit a registered investment adviser to enter into a performance fee agreement with certain clients who meet the definition of a qualified client. An adviser can enter into a performance fee agreement with "eligible" clients. An eligible client is defined in Rule 205-3 and similar state statutes and rules, as natural persons and companies that have *either* at least \$1 Million under management with the Registrant immediately after entering into a performance fee agreement *or* a net worth at the time the agreement is entered into in excess of \$2 Million (i.e. a natural person's net worth may include assets held jointly with a spouse). The terms and conditions of the performance fee arrangement shall be set forth in an *Addendum* to the *Investment Advisory Agreement*. In the *Addendum*, the client will be required to represent and/or warrant that he/she/it: (1) is an "eligible" client as defined immediately above; (2) understands that the Registrant is relying upon such representation for compliance with Rule 205-3 and similar state statutes and rules.

Because the Registrant's compensation shall be directly related to client's account performance, this arrangement creates a **conflict of interest**, as the Registrant has an incentive to make investment recommendations and decisions that are riskier or more speculative than the Registrant would normally have made absent a *Performance Fee*. **The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions regarding this conflict of interest.**

Item 7 **Types of Clients**

The Registrant's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. The registrant generally requires a \$1,000,000 minimum asset level for investment advisory services. The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. The Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of

the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various, mutual funds, ETFs, and *Independent Manager[s]* on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s). (**See *Independent Manager[s]*** above).

Registrant's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;

7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

The allocation models include the following:

Aggressive Allocation Model – Our Aggressive Allocation is designed for our most aggressive equity investors. The allocation attempts to get equity upside while smoothing out volatility. This allocation is constructed using Mutual Funds, ETF's and Money Market Funds that encompass Domestic Equities, International Equities, Fixed Income, Alternatives and Cash. Our Neutral Allocation (our allocation with no over/under weights) for each of these broad classes is as follows (subject to modification, without notice, at the discretion of the Investment Committee):

Domestic Equity – 53%
International Equity – 35%
Fixed Income – 0%
Alternatives – 10%
Cash – 2%

The Warren Averett Investment Committee may make tactical or strategic allocations shifts to these broad asset classes as well as their underlying

sub asset classes at the Committee's sole discretion. The Investment Committee can overweight or underweight the previous broad asset classes by up to 20%. The allocation as it stands at any given point in time is referred to as our Target Allocation.

Growth Allocation Model – Our Growth Allocation is designed for our investors with high risk tolerances that still want some downside protection. This allocation is constructed using Mutual Funds, ETF's and Money Market Funds that encompass Domestic Equities, International Equities, Fixed Income, Alternatives and Cash. Our Neutral Allocation (our allocation with no over/under weights) for each of these broad classes is as follows (subject to modification, without notice, at the discretion of the Investment Committee):

Domestic Equity – 45%
International Equity – 30%
Fixed Income – 13%
Alternatives – 10%
Cash – 2%

The Warren Averett Investment Committee may make tactical or strategic allocations shifts to these broad asset classes as well as their underlying sub asset classes at the Committee's sole discretion. The Investment Committee can overweight or underweight the previous broad asset classes by up to 20%. The allocation as it stands at any given point in time is referred to as our Target Allocation.

Moderate Allocation Model – Our Moderate Allocation is designed for our investors who need a balanced approach that targets some capital appreciation with moderate downside protection. This allocation is constructed using Mutual Funds, ETF's and Money Market Funds that encompass Domestic Equities, International Equities, Fixed Income, Alternatives and Cash. Our Neutral Allocation (our allocation with no over/under weights) for each of these broad classes is as follows (subject to modification, without notice, at the discretion of the Investment Committee):

Domestic Equity – 30%
International Equity – 20%
Fixed Income – 25%
Alternatives – 20%
Cash – 5%

The Warren Averett Investment Committee may make tactical or strategic allocations shifts to these broad asset classes as well as their underlying sub asset classes at the Committee's sole discretion. The Investment

Committee can overweight or underweight the previous broad asset classes by up to 20%. The allocation as it stands at any given point in time is referred to as our Target Allocation.

Conservative Allocation Model – Our Conservative Allocation is designed for investors who place a premium on capital preservation while still allowing slight capital appreciation potential. This allocation is constructed using Mutual Funds, ETF's and Money Market Funds that encompass Domestic Equities, International Equities, Fixed Income, Alternatives and Cash. Our Neutral Allocation (our allocation with no over/under weights) for each of these broad classes is as follows (subject to modification, without notice, at the discretion of the Investment Committee):

Domestic Equity – 15%
International Equity – 10%
Fixed Income – 35%
Alternatives – 30%
Cash – 10%

The Warren Averett Investment Committee may make tactical or strategic allocations shifts to these broad asset classes as well as their underlying sub asset classes at the Committee's sole discretion. The Investment Committee can overweight or underweight the previous broad asset classes by up to 20%. The allocation as it stands at any given point in time is referred to as our Target Allocation.

Ultra Conservative Allocation Model – Our Ultra Conservative Allocation is designed for our most conservative investor whose goal is to preserve capital. This allocation is constructed using Mutual Funds, ETF's and Money Market Funds that encompass Domestic Equities, International Equities, Fixed Income, Alternatives and Cash. Our Neutral Allocation (our allocation with no over/under weights) for each of these broad classes is as follows (subject to modification, without notice, at the discretion of the Investment Committee):

Domestic Equity – 0%
International Equity – 0%
Fixed Income – 40%
Alternatives – 40%
Cash – 20%

The Warren Averett Investment Committee may make tactical or strategic allocations shifts to these broad asset classes as well as their underlying sub asset classes at the Committee's sole discretion. The Investment Committee can overweight or underweight the previous broad asset

classes by up to 20%. The allocation as it stands at any given point in time is referred to as our Target Allocation.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.
 - 1. **Certified Public Accountants.** Certain of Registrant's representatives are also certified public accountants with the firm of Warren Averett, LLC, a public accounting firm affiliated with Registrant. To the extent that a client requires accounting advice and/or tax preparation services, the Registrant, if requested, will recommend the services of Warren Averett, LLC, all of which services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and Warren Averett, LLC. The Registrant shall not receive any of the fees charged by Warren Averett, LLC, referral or otherwise. Although the Registrant shall not receive referral fees from Warren Averett, LLC, representatives of the Registrant shall be entitled to receive distributions relative to their respective interests in Warren Averett, LLC, if any. No client of the Registrant is required to engage Warren Averett, LLC for accounting services, and vice versa.
 - 2. **Pension Consulting Firm.** Registrant's representative, Janice Henninger, is also the President of Warren Averett Benefit Consultants, LLC, a third party administrator for employee benefit plans. No client of the Registrant is required to engage Warren Averett Benefit Consultants, LLC for administration services, and vice versa.

The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions that a client or prospective client may have regarding the above arrangements and affiliations and any corresponding conflict of interest such arrangement may create.

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.
In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.
- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one

Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Fidelity, Schwab, Pershing, TDA, or Matrix*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Fidelity, Schwab, Pershing, TDA, or Matrix* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it

purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Fidelity, Schwab, Pershing, TDA, or Matrix* (or another broker-dealer/custodian, investment platform, mutual fund sponsor, or manager) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity, Schwab, Pershing, TDA, and Matrix* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Fidelity, Schwab, Pershing, TDA, or Matrix* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed

arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

- B. The Registrant **may** conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from *Fidelity, Schwab, Pershing, TDA, and Matrix*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Fidelity, Schwab, Pershing, TDA, and Matrix*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity, Schwab, Pershing, TDA, and Matrix* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Fidelity, Schwab, Pershing, TDA, and Matrix* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The

account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

The Registrant engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV. Such practices and/or services are subject to an annual surprise CPA examination and the submission of a Form ADV-E. The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$3,000, per client, six months or more in advance.

- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Justin T. Russell, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.