

2015
DISCLOSURE BROCHURE

FULCRUM ADVISORY SERVICES, LLC
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This Disclosure Brochure provides clients with information about the qualifications and business practices of Fulcrum Advisory Services, LLC ("FAS"). Please contact Cynthia Lyons, Chief Compliance Officer of Fulcrum Advisory Services, LLC, at 314-336-3111 or email CDL@fulcrumsecurities.com, if you have questions about the content of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Additional information on the disciplinary history of FAS is available on the Internet at www.adviserinfo.sec.gov/IAPD/. You can search this site by a unique identifying number known as a CRD number. The CRD number for Fulcrum Advisory Services, LLC is 131777.

March 2015

1. ABOUT FULCRUM ADVISORY SERVICES, LLC

FAS is a fee-only, independent investment advisory firm registered with the Securities and Exchange Commission. Registration does not imply a certain level of skill or training. The expertise and training requirements for all FAS associates are detailed in Section 19 of this brochure.

2. MATERIAL CHANGES

No material changes for FAS since the annual amendment update on March 31, 2014.

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4. ADVISORY BUSINESS

- A. FAS has been offering advisory service since 2006. The principal owner is AHM-Fulcrum Holdings, LLC. Mr. William P. Behrens, President & CEO, and Ms. Cynthia Lyons is Secretary and the Chief Compliance Officer.

FAS is registered with the Securities Exchange Commission (SEC). FAS is under common ownership with Fulcrum Securities, LLC, a broker/dealer registered with the FINRA and in each state in which it conducts business.

- B. Through its investment advisor representatives, FAS provides financial planning, consulting and fee-only investment advisory services to individuals, pension and profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities.
- C. FAS and its affiliate consults with clients and potential clients to determine their advisory needs. Information is obtained from each client or potential client to determine their investment objectives, income, net worth (not including residence), age, tax status, employment history, investment experience, and risk tolerance.
- D. FAS acts as a sponsor for wrap fee programs offered by Lockwood. These programs are detailed in this brochure under Third Party Advisor section.
- E. As of March 2015 FAS provided investment advisory services for 102 accounts with \$24,887,000 under management of which Fulcrum uses discretion.

Third Party Advisors

F-Squared Advisors, 80 William St. #400, Wellesley, MA 02481

F-Squared Advisors uses a diversified strategy designed to achieve long-term growth of principal with a slant toward downside protection. Fulcrum exclusively utilizes the Alpha Sector Allocator Premium Global strategy discipline which takes advantage of relative attractiveness of domestic and international equities, fixed income, real estate, gold and governments all through ETF offerings.

Advisors Asset Management, Inc. ("AAM"), 18925 Base Camp Road, Suite 203, Monument, CO 80132

AAM offers various strategies from Conservative Taxable, Core Plus Taxable, Credit Opportunities, Mortgage Investment Portfolio, Short Term Tax Exempt, Core Tax Exempt, Peroni Method and High 50 Dividend. Although all of these strategies are available, clients have exclusively selected the Peroni Method. The Peroni Method generally seeks to provide capital appreciation by investing in a portfolio managed based on the Peroni Method; the proprietary, technically-based research strategy of the portfolio manager, Eugene E. Peroni, Jr., utilizing a multi-cap equity strategy, securities may range from value to growth as market conditions change or are anticipated. Cash levels generally do not exceed 20% of the value of the portfolio under regular market conditions.

Tower Bridge Advisors, Inc. ("Tower Bridge"), 101 West Elm Street, Suite 355, Conshohocken, PA 19428

Tower Bridge uses a Large Cap GARP investment style, which is well diversified across industry sectors. The screening process includes stocks with a market cap of greater than \$2 Billion, revenue growth of 2 times GDP with strong balance sheets. A number of quantitative measures such as Price/Sales, Price/Book and Price/Earnings are utilized to determine a fair value of the security, and seeks to purchase below fair value; subjective characteristics are also evaluated. Tower Bridge does not allow any sector to be greater than 150% of its weighting in the S&P. The model portfolio is monitored on a regular basis with changes made when a stock's target price is reached, the sector

weighting exceeds its limit or when there is a fundamental change in the outlook for the company. There is a risk management rules which requires that any stock that loses 25% of its value from the time purchased, or from its high since acquired by Tower Bridge, must be sold unless there is unanimous consent by the investment committee to keep it in the portfolio.

5. FEES AND COMPENSATION

FAS Financial Planning

FAS's estate and business planning services are generally provided to advisory clients on a monthly fee basis, which is negotiable between FAS and the client. Among the factors that will be taken into consideration in determining the fee is the amount of time an adviser representative must spend completing a client's financial analysis, the client's income and net worth, and the complexity of the client's financial situation. Fees are detailed below:

- Percentage of assets for which the plan is made, depending upon the size and make-up of the overall client portfolio, as agreed to in advance by client.
- An hourly rate of \$200 per hour minimum.
- Fixed fee are negotiated depending on the size and complexity of the plan. Payment is due upon delivery of the plan.
- FAS will not accept fees in excess of \$500 for more than 6 months in advance.

In addition, after adoption and implementation of the plan, an annual review of the plan is available under a separately negotiated agreement for a negotiated mutually agreeable fee.

In some cases FAS fees may be provided on an hourly basis, which is negotiable between FAS and the client based upon the factors listed above. Generally, the hourly rate is \$200 per hour. However, it is negotiable and may be higher depending upon the complexity of the client's financial situation.

In addition to the planning fees, FAS's adviser representatives and affiliates of FAS may receive—selling commissions or other compensation for insurance products. Any such compensation will be received in the capacity of a Financial Representative or other approved outside business activity, and not as an Adviser Representative. In the case where a client invests in a mutual fund, the client may also indirectly pay for the expenses and advisory fees charged by the mutual fund companies in which they invest.

FAS Financial Planning Seminars

FAS may also provide seminar services by allowing its adviser representative to present approved estate and financial planning related seminar programs. FAS will select the seminar materials and also provide other related educational information for use at the seminars. The information contained in the seminar materials is not intended to be specific investment advice and does not purport to meet the investment objectives or needs of specific individuals or accounts. Attendance at a seminar does not create an advisory client relationship between FAS and seminar attendees. Seminar attendees are not considered advisory clients unless an attendee enters into a written advisory agreement with FAS subsequent to attendance at a seminar. Fees may be charged either for seminar attendance and/or for seminar materials that will be distributed to attendees.

FAS Special Projects and Consulting

After a financial planning engagement has ended, a client may request and contract for the review of the financial plan. In general, FAS will charge \$400 per hour fee for such reviews, but the review fee is negotiable between FAS and the client based on the client's net worth and the nature of any changed circumstances. Any other special projects requested by the client will also be charged as an hourly fee.

General Information About Fees

Fee Only

- FAS is compensated solely by fees paid by its clients and does not accept commissions or compensation from any other source.
- Fees are Negotiable
In certain circumstances, fees may be negotiable.
- Fee Calculation
The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Advisers Act).
- Termination of Advisory Relationship.
A client agreement may be terminated at any time, by either party, for any reason upon written notice of either party. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement. Clients will receive, where applicable, a prorated refund of any prepaid advisory fees. Such prorated refund will be based upon actual services incurred up to and at the time of termination of FAS' services.
- Mutual Fund Fees
All fees paid to FAS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of FAS. In that case, the client would not receive the services provided by FAS which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by FAS to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.
- Trading and other Costs
All fees paid to FAS for investment advisory services are separate and distinct from transaction fees and/or custodian fees charged by broker dealers associated with the purchase and sale of equity securities and mutual funds. In addition, fees do not include the services of any co-fiduciaries, accountants, brokers or attorneys.
- Direct Debiting of Client Accounts
Advisory fees may be directly debited from a client account only if the client provides written authorization permitting FAS's fees to be paid directly from the client's account held by an independent custodian and the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to FAS.

6. PERFORMANCE-BASED FEES and SIDE-BY-SIDE MANAGEMENT

FAS does not charge Performance-Based Fees. FAS does not engage in Side-By-Side Management.

7. TYPES OF CLIENTS

FAS's client base consists of high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporate and business entities. Accepted account size is negotiable.

8. METHODS of ANALYSIS, INVESTMENT STRATEGIES and RISK OF LOSS

Advisory representatives may use, without limitation, any of the following methods of analysis, sources of information and investment strategies: financial newspapers and magazines; inspections of corporate activities; corporate rating services such as Morningstar; and, annual reports, prospectuses and press releases. Advisory representatives may

also utilize different investment strategies, based upon the needs of the client, which include long-term purchases, as well as, trading.

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. In addition, advice will be given (but not necessarily recommendations) on all types of equity securities, mutual funds, certificate of deposits, corporate debt securities, municipal securities and government securities.

The main risk involved with FAS investment strategies is market fluctuation. All clients are advised that investing in securities involves risk of loss. The advisory representative assists the client with determining whether the client is able to bear such risks.

9. DISCIPLINARY INFORMATION

Some FAS advisers may have supplemental disclosure information. See Section 19D for further information.

10. OTHER FINANCIAL ACTIVITIES and AFFILIATIONS

FAS's primary business is financial management, of which investment management is a major component. FAS also offers comprehensive financial planning and consulting services. In addition, FAS advisers may be registered representatives of Fulcrum Securities and may be insurance licensed. These advisers may recommend securities and/or insurance products to clients of FAS and may earn reasonable and customary commissions on the sale of such securities and/or insurance products. Comparable insurance products may be available from other sources at a lower price.

11. CODE of ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and PERSONAL TRADING

A. FAS has adopted a Code of Ethics pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended, to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that FAS owes a fiduciary duty to its clients. Accordingly, FAS expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. All officers, directors, members and employees of FAS and any other person who provides advice on behalf of FAS and is subject to FAS's control and supervision are required to adhere to the Code of Ethics. FAS's Code of Ethics allows the purchase of IPOs or private placements only with prior permission from FAS's Chief Compliance Officer. Clients may request to receive, at no cost, a copy of FAS's Code of Ethics, which contains its policies on employee trading, gifts, and outside business activities. Gifts of nominal value are acceptable, and all employees must disclose any outside business activities generating revenue, which must be approved by FAS's Chief Compliance Officer.

B. Buys or Sells For FAS Securities That FAS Representatives Also Recommend To Clients

From time to time, FAS may recommend to clients that they purchase or sell specific securities or investments in which FAS or its related personnel have some financial interest. In addition, FAS or individuals associated with FAS may buy, sell, or hold in their personal accounts the same securities that FAS recommends to its clients and in accordance with its internal compliance procedures. Such trades will occur simultaneously with or after trades placed on behalf of clients.

C. Participation or Interest in Client Transactions

FAS or individuals associated with FAS may buy, sell, or hold in their personal accounts the same securities that FAS recommends to its clients and in accordance with its internal compliance procedures. Such trades will occur simultaneously with or after trades placed on behalf of clients.

To minimize conflicts of interest, and to maintain the fiduciary responsibility FAS has for its clients established the following policy: An officer, director, or employee of FAS shall not buy or sell securities for a personal portfolio when the decision to purchase is substantially derived, in whole or in part, by reason of employment with FAS, unless the information is also available to the investing public on reasonable inquiry. No person associated with FAS shall prefer his or her own interest to that of any client. Personal trades in securities being purchased or sold for clients may be effected simultaneously with or after trades are effected for clients. FAS personnel may not anticipate trades to be placed for clients.

12.A. 2. BROKERAGE FOR CLIENT REFERRALS

FAS does not have the incentive to select or recommend a broker/dealer based on its interest in receiving client referrals.

12.A.3. DIRECTED BROKERAGE

Certain clients may direct FAS to use particular brokers for executing transactions in their accounts. To the extent brokerage transactions are placed with particular brokers as directed by a client, FAS' ability to achieve best execution may be eliminated. Clients who direct FAS to use particular brokers may pay higher commissions than those that do not. FAS reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than Fulcrum Securities LLC, if FAS believes that the broker dealer would adversely affect FAS's fiduciary duty to the client and/or ability to effectively service the client portfolio.

12.3.B. AGGREGATION and ALLOCATION OF TRADES

It is the objective of FAS to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, FAS may often seek to purchase or sell a particular security in each account. FAS will aggregate orders only when such aggregation is consistent with FAS's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account.

Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated *pro rata* based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated *pro rata* based on the assets of each account.

13. REVIEW of ACCOUNTS

Investment Management Services Reviews

While the underlying securities within Investment Management Services accounts are continuously monitored, these accounts are reviewed no less frequently than annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines, ensuring that the structure of the portfolio is coordinated with these objectives. In addition, investment returns will be measured against the appropriate benchmarks in each asset class. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Reports

Clients will receive statements at least quarterly. Additionally, monthly statements will be generated as a result of investment activity by the client's separate custodian. Confirmation statements will be issued for all trading activity. Monthly and/or quarterly statements will include portfolio holdings, dates and amounts of transactions, and current and prior statement values.

Financial Planning Reviews

These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

Reports

Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for at the inception of the advisory relationship.

Consulting Services Reviews

These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

Reports

Due to the nature of this service, FAS will not typically provide reports unless contracted for at the inception of the advisory relationship.

All client accounts are reviewed by the Branch Office Managers of FAS.

14. CLIENT REFERRALS and OTHER COMPENSATION

FAS does not directly or indirectly receive or give any economic benefit for providing investment advice or other advisory services to our clients from or to anyone other than our clients.

15. CUSTODY

FAS does not have custody of any client funds or securities.

16. INVESTMENT DISCRETION

FAS may request that it be provided with written authority (Limited Power of Attorney) to determine the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing. When authorized by the client, FAS generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. FAS's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between FAS and the client.

17. VOTING CLIENT SECURITIES

FAS does not vote proxies on behalf of its clients. Therefore, although FAS may provide investment advisory services relative to client investment assets, FAS's 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 proceeding or other type events pertaining to the client's investment assets. FAS and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

18. FINANCIAL INFORMATION

Prepayments

FAS does not require or solicit prepayments of more than \$500 in fees per client, six months or more in advance.

18.B.

Financial Condition

There are no financial conditions that are likely to impair FAS's ability to meet its commitments to clients.

18.C.

Bankruptcy

FAS has not ever been subject to a bankruptcy.

19. REQUIREMENTS FOR STATE ADVISORS

EDUCATION AND BUSINESS STANDARDS

Persons associated with FAS who provide investment advice to clients are required to have a requisite licensing and qualifications, including several years of investment experience or general business experience. Each IAR must also be registered in each State in which they provide advisory services.

BIOGRAPHICAL INFORMATION

William P. Behrens, the firm's President and CEO was born in 1938. Before joining FAS IN 2008, Mr. Behrens served as Vice Chairman of Northeast Securities, Inc., a financial services firm in New York where he was responsible for private client and institutional brokerage and asset management. Bill got his start on Wall Street as a securities analyst with Ernst & Company. He was later made Partner of the Firm and ultimately worked his way to CEO and Chairman of the Board. In all, Bill spent over 35 years with Ernst & Company and its successor company Investec LTD. Mr. Behrens has held a variety of senior positions in the financial services industry including ones with the Securities Industry Association, the Options Clearing Corporation, the American Stock Exchange, and the National Association of Securities Broker Dealers (now FINRA). Bill graduated from Bernard Baruch College, City University of New York, and serves as Trustee Emeritus of both the Museum of American Financial History and The Battery Conservancy. Bill also serves as a Director of ProPapa Missions America, a not-for-profit organization that provides medical services, education funding, and home construction to the indigenous peoples of Honduras. Mr. Behrens devotes approximately 20% of his time to FAS and the remainder with Fulcrum Securities, LLC.

Mr. Behrens does have past disciplinary disclosure which can be reviewed at <http://brokercheck.finra.org>.

Cynthia D. Lyons, Secretary and Chief Compliance Officer was born in 1968. Ms. Lyons attended Robert Morris University prior to beginning her career in the securities industry. Ms. Lyons joined FAS and Fulcrum Securities, LLC in 2008. Her experience extends over 20 years, beginning her career with Stifel, Nicolaus & Co. in 1987. Her industry background includes retail and institutional brokerage operations, administration and finance. After leaving Stifel Nicolaus in 1995, Ms. Lyons was associated with two boutique retail broker/dealers and two investment banking firms, the last of which was Flagstone Securities, LLC in St. Louis, MO. During her tenure in banking she served a variety of functions including the Financial Operations Principal, Compliance Officer, and Operations Manager. She has a broad array of experience with the operational and compliance responsibilities related to private placement offerings and initial and secondary public offerings. She holds FINRA licensing as General Securities Principal, Financial Operations Principal, Options Principal, and General Securities Representative. Ms. Lyons devotes approximately 20% of her time with FAS and the remainder with Fulcrum Securities, LLC

Ms. Lyons does not have any current or past disciplinary disclosures.

19.C. Calculation of Fees

See Item 5 of Part 2A.

19.D. Disclosures

Some FAS advisers may have disclosure information. The adviser will provide a Supplemental Disclosure to all potential clients. In addition, the Supplemental Disclosure will be provided upon request.

19.E. Relationships with Issues of Securities

FAS and its associated person does not have any relationship or arrangement with any issuer of securities that are not listed in Item 10C of Part 2A.

CLIENT COMPLAINTS

Clients may contact Cynthia Lyons, Chief Compliance Officer of FAS, at (314) 336-3111 to submit a complaint. Written complaints should be sent to Fulcrum Advisory Services, LLC, 11975 Westline Industrial Drive, St. Louis, MO 63146.