

NCA FINANCIAL PLANNERS

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This brochure provides information about the qualifications and business practices of NCA Financial Planners (“NCA Financial Planners” or “NCA”). If you have any questions about the contents of this brochure, please contact us at 440-473-1115 or krussell@ncafinancial.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 NCA Financial Planners is also available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to NCA Financial Planners 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

This section identifies specific material changes that were made to the NCA Financial Planners (“NCA”) brochure since our last annual update on April 23, 2015 and provides you with a summary of such changes.

Since that date, we revised Item 4.E to update the amount of client assets under our discretionary and non-discretionary assets management. Otherwise, no material changes were made to our brochure.

A copy of our brochure may be requested by contacting us at 440-473-1115 and/or krussell@ncafinancial.com. Our brochure may also be obtained from our web site. Go to www.ncafinancial.com, select “contact us,” and enter your information. In the comments section, state that you would like to receive a copy of our brochure, then select “submit.” Our brochure is available to you free of charge.

Additional information about NCA Financial Planners is also available via the SEC’s website www.adviserinfo.sec.gov. The IARD number for NCA Financial Planners is 120086. The SEC’s website also provides information about any persons affiliated with NCA Financial Planners who are registered, or are required to be registered, as Advisory Representatives of NCA Financial Planners.

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Item 4 **Advisory Business**

- A. Financial Planners of Cleveland, Inc. d/b/a NCA Financial Planners (“NCA Financial Planners” or “NCA”) is a corporation formed in 1989 in the State of Ohio. NCA Financial Planners became registered as an Investment Adviser Firm in 1989 with the State of Ohio, and transitioned to registration with the U.S. Securities and Exchange Commission in August 2006. NCA Financial Planners is operated by Kevin H. Meyeroff, NCA’s Chief Executive Officer and President (CRD No. 1488440).
- B. As discussed below, NCA, in its own capacity and/or in conjunction with its individual representatives in their separate registered/licensed capacities as registered representatives of a broker-dealer and insurance agents, offers to its clients (individuals, high-net-worth individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory and financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can engage NCA Financial Planners to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. NCA’s annual investment advisory fee is based on a percentage (%) of the market value of the assets placed under NCA’s management. Prior to engaging NCA to provide investment advisory services, clients are required to enter into a *Statement of Investment Selection* setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

NCA Financial Planners 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 objectives. Thereafter, NCA shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives.

NCA primarily allocates client investment assets among various mutual funds, and, to a lesser extent, among exchange-traded funds and/or individual fixed income securities (bonds, etc.) on a discretionary basis, in conjunction with the wrap-fee programs (discussed below) sponsored by Royal Alliance Associates, Inc., an SEC-registered and FINRA member broker-dealer (“*Royal*”).

WEALTH MANAGEMENT PROGRAM

NCA Financial Planners provides investment advisory services in conjunction with *Royal’s* Wealth Management Program (the “Program”), a wrap-fee program sponsored by *Royal*. The services offered under, and the corresponding terms and conditions pertaining to, the Program, are discussed in the *Royal* Wrap Fee Program Brochure, a copy of which is presented to NCA’s participating clients. Under the Program, NCA is able to offer participants discretionary and/or non-discretionary investment advisory services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees.

All prospective client Program participants should read both this brochure (i.e., NCA’s Brochure and the *Royal* Wrap-Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program. **Please Note:** As

indicated in the *Royal Wrap Fee Program Brochure*, participation in the Program may cost more or less than purchasing such services separately.

Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals, and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap-Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

VISION2020 Wealth Management Platform – SMA and UMA Program

The Wealth Management Platform – SMA and UMA Account Program (“Wealth Managed Account Program” or “WMA”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, asset-based, advisory fee.

We will present you with a WMA asset allocation model (“WMA Model”) for your approval which will consist of: (1) third-party money managers (“WMA Managers”) who will manage your WMA account according to a particular equity or fixed income model or strategy, or (2) no-load mutual funds (“Funds”), or (3) exchange-traded funds (“ETFs”) or any combination thereof (individually or collectively, “WMA Investments”). WMA Investments will be managed according to the selected WMA Model. WMA Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

We will suggest a WMA Model to you based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMA account.

For further WMAP details please see the WMAP Wrap-Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, NCA shall provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, tax planning, etc.) on a stand-alone separate fee basis. Prior to engaging NCA to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with NCA 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 NCA commencing services. If requested by the client, NCA may recommend the services of other professionals for implementation purposes, including certain of NCA's representatives in their individual capacities as registered representatives of *Royal* and/or licensed insurance agents. (*See* disclosure at Item 10 C.). 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 NCA.

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 NCA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising NCA's previous recommendations and/or services. **NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

RETIREMENT CONSULTING

NCA Financial Planners also provides discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, NCA shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between NCA and the plan sponsor.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services: Limitations. **To the extent requested by the client,** NCA shall provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither NCA, nor any of its representatives, serves as an attorney or accountant, and no portion of NCA's services should be construed as same. To the extent requested by a client, NCA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, securities brokers, insurance agents, etc.) including certain representatives of NCA in their separate registered/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 NCA. **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 NCA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/ revising NCA's previous recommendations and/or services.

Educational and Investment Seminars: From time to time NCA may host educational and investment seminars. Although these seminars are available to public, NCA may tailor each seminar's focus to a particular type of potential client (i.e. young professionals, retirement plan participants, etc.). Although these seminars are conducted with the ultimate aim of identifying new potential clients, NCA may charge a modest fee for attendance. The fees received from these events are used to offset the costs of hosting (i.e. venue charges, materials, food service, etc.).

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage NCA on a non-discretionary investment advisory basis **must be willing to accept** that NCA cannot effect any account transactions without obtaining prior verbal consent to any such transactions from the client. Thus, in the event of a market correction during which the client is unavailable, NCA 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, NCA 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 NCA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/ evaluating/revising NCA's previous recommendations and/or services.

Disclosure Statement. A copy of NCA'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 *Statement of Investment Selection* and/or *Financial Planning and Consulting Agreement*.

- C. NCA Financial Planners 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, NCA 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 NCA's services.
- D. **Please Note (Wrap/Managed Account programs)** NCA Financial Planners primarily allocates client investment assets among various mutual funds, and, to a lesser extent, among exchange traded funds, individual securities (stocks) individual fixed income securities (bonds, etc.) on a discretionary basis, in conjunction with the wrap-fee programs sponsored by *Royal*.

When client assets are managed through an unaffiliated wrap-fee program, NCA will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the

wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that NCA is engaged to provide investment management services as part of an unaffiliated managed account program, NCA will likewise be unable to negotiate commissions and/or transaction costs.

Please Note: When managing a client's account on a wrap fee basis, NCA shall receive payment for its investment advisory services from *Royal* in accordance with the Wrap Fee Brochure.

- E. As of April 4, 2016, NCA Financial Planners had \$785,750,673 in assets under management on a discretionary basis and \$16,832,602 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

Vision2020 Wealth Management Platform – Advisor Managed Portfolios Program

If a client engages NCA Financial Planners to provide investment advisory services in conjunction with *Royal's* wrap-fee program, Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios"), NCA's annual investment advisory fee shall be based upon a percentage of the market value of assets placed under NCA's management. The client's advisory fee shall be a flat rate dependent upon the client's asset range, as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
Up to \$250,000	1.25%
Between \$250,000 and \$25,000,000	0.95%
Above \$25,000,000	0.80%

VISION2020 Wealth Management Platform – SMA and UMA Program

We offer *Royal's* Wealth Management Platform – SMA and UMA Account Program ("Wealth Managed Account Program" or "WMA") as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within 5 business days of signing. If you terminate after the first 5 days, the account fee will be credited back to you on a prorata basis for the unused portion of the quarter.

Advisory Representatives negotiate their own account fee schedule. Our fee for this

program ranges from 0.475% to a maximum of 2.5% inclusive of administrative fees for a Wrap-Fee account. Your advisory agreement will set forth the annual agreed upon account fee. Additional, ancillary fees may apply. For complete fee details including account fee schedule guidelines, please see the SMA and UMA Program Wrap-Fee Program Brochure.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, NCA Financial Planners *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. NCA's planning and consulting fees are negotiable and generally range from \$500 to \$10,000 on a fixed fee basis depending upon the level and scope of services required and the professional rendering the services. NCA's fixed fee for financial planning and/or consulting services may be billed annually or semi-annually.

Please Note: NCA may require a onetime initial setup fee, between \$500 to \$2,000 (depending upon the investment advisory representative providing the financial planning and consulting services, the value of the client's portfolio/assets and the complexity of the client's financial situation) for new financial planning and/or consulting clients. The initial set up fee shall be in addition to the fixed fee charged for financial planning and/or consulting services. **Please Note:** Certain of NCA's investment advisory representatives choose to forgo this initial setup fee. If they prefer, clients may engage one of these investment advisory representatives to provide financial planning and consulting services. **NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding NCA's financial planning and consulting initial setup fees.**

- B. Both the *Statement of Investment Selection* and the custodial/clearing agreement shall generally authorize the custodian to debit the account for the amount of NCA's investment advisory fee and to directly remit that advisory fee to NCA in compliance with regulatory procedures. **Please Note:** When managing a client's account on a wrap-fee basis, NCA shall receive payment for its investment advisory services from *Royal* in accordance with the Wrap-Fee Brochure.
- C. As discussed below, NCA Financial Planners shall recommend that Royal Alliance Associates ("*Royal*") (who clears through Pershing, LLC) serve as the broker- dealer/custodian for client investment management assets. Broker-dealers such as *Royal* 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 NCA'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). **Please Note:** in a wrap-fee program, including *Royal's* wrap-fee program, the commissions and/or transactions fees are included in the wrap fee paid by the client.
- D. NCA Financial Planners' annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. NCA's financial planning and consulting fees shall be charged either annually or semi-annual in arrears, based upon the terms of each individual agreement.

NCA does not generally require an annual minimum fee or a minimum asset level for investment advisory services. NCA, in its sole discretion, may charge a lesser investment management fee and/or financial planning and consulting fee, 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.), than indicated in the fee schedules discussed above.

The *Statement of Investment Selection* and/or *Financial Planning and Consulting Agreements* will continue in effect until terminated by either party, by written notice, in accordance with the terms of the *Agreements*. Upon termination to NCA's investment advisory services, NCA shall refund the account for the prorated portion of the unearned advanced advisory fee based upon the number of days that services were provided during the billing quarter. To the extent that a client terminates a financial planning and consulting engagement before completion, NCA shall be entitled to a payment commensurate with the value of services provided to the client as of the date of termination.

E. **Securities Commission Transactions.** In the event that the client desires, the client can engage certain of NCA Financial Planners' representatives, in their individual capacities, as registered representatives of *Royal*, an SEC-registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *Royal*, *Royal* will charge brokerage commissions to effect securities transactions, a portion of which commissions *Royal* shall pay to NCA's representatives, as applicable. The brokerage commissions charged by *Royal* may be higher or lower than those charged by other broker-dealers. In addition, *Royal*, as well as NCA's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *Royal* presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from NCA's representatives. **NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by NCA through other, non-affiliated broker-dealers or agents.
3. NCA does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products NCA recommends to its clients.
4. When NCA's representatives sell an investment product on a commission basis, NCA does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, NCA's representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). **However**, a client may engage NCA to provide investment management services on an advisory fee

basis and separate from such advisory services purchase an investment product from NCA's representatives on a separate commission basis.

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

Neither NCA nor any supervised person of NCA accepts performance-based fees.

Item 7 Types of Clients

NCA Financial Planners' clients shall generally include individuals, high-net-worth individuals, business entities, pension and profit sharing plans, trusts, estates, and charitable organizations. Except for the SMA Account under the VISION2020 Wealth Management Platform, NCA does not generally require an annual minimum fee or a minimum asset level for investment advisory services. The minimum account size to initiate and maintain an SMA Account is generally \$100,000. However, at its sole discretion, NCA may make exceptions to the account minimum. Typically, exceptions involve situations where there are related account holdings, prior client relationships, market fluctuations, client withdrawals, and distributions.

NCA, in its sole discretion, may charge a lesser investment management fee and/or financial planning and consulting fee, 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.), than indicated in the fee schedules discussed above.

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

- A. NCA Financial Planners 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
 - *Cyclical* – analysis performed on historical relationships between price and market trends, to forecast the direction of prices.

NCA Financial Planners 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. Investing in securities involves risk of loss that clients should be prepared to bear. 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 NCA) will be profitable or equal any specific performance levels.

- B. NCA Financial Planners' 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 NCA must have access to current/new market information. NCA has no control over the dissemination rate of market information; therefore, unbeknownst to NCA, certain analyses may be compiled with outdated market information, severely limiting the value of NCA'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.

NCA'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, NCA primarily allocates client investment assets among various mutual funds, and, to a lesser extent, among exchange traded funds, individual equities (stocks) and/or individual fixed income securities (bonds, etc.) on both a discretionary and non-discretionary basis, in conjunction with the wrap-fee program (discussed above) sponsored by *Royal*, consistent with the client's designated investment objectives.

Item 9 Disciplinary Information

NCA Financial Planners has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. **Registered Representatives of *Royal*.** As disclosed above in Item 5.E, certain of NCA's representatives are also registered representatives of *Royal*, a FINRA member broker-dealer.
- B. Neither NCA Financial Planners, 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. **Broker-Dealer.** As disclosed above in Item 5.E, certain of NCA's representatives are registered representatives of *Royal*, a FINRA member broker-dealer. Clients can choose to engage certain of NCA's representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

Licensed Insurance Agents. NCA's representatives, in their individual capacities, are also licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of NCA's representatives to purchase insurance products on a commission basis.

Conflict of Interest: The recommendation by NCA's representatives that a client purchase a securities or insurance commission product presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment

products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from NCA's representatives. Clients are reminded that they may purchase insurance products recommended by NCA through other, non-affiliated insurance agents or broker-dealers. **NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. NCA Financial Planners 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. NCA Financial Planners maintains an investment policy relative to personal securities transactions. This investment policy is part of NCA's overall Code of Ethics, which serves to establish a standard of business conduct for all of NCA'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, NCA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by NCA or any person associated with NCA.

- B. Neither NCA nor any related person of NCA recommends, buys, or sells for client accounts, securities in which NCA or any related person of NCA has a material financial interest.
- C. NCA and/or representatives of NCA *may* buy or sell securities that are also recommended to clients. This practice may create a situation where NCA and/or representatives of NCA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a 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 NCA 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 NCA's clients) and other potentially abusive practices.

NCA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of NCA's "Access Persons." NCA's securities transaction policy requires that an Access Person of NCA must provide the Chief Compliance Officer and/or his/her designee with a written report of their current securities holdings within 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 12-month period thereafter on a date NCA selects; provided, however that at any time that NCA has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. NCA and/or representatives of NCA *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where NCA and/or representatives of NCA 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, NCA has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of NCA's Access Persons.

Item 12 Brokerage Practices

- A. Client of NCA are required maintain and custody their assets at *Royal*. Prior to engaging NCA to provide investment management services, the client will be required to enter into a formal *Statement of Investment Selection* setting forth the terms and conditions under which NCA shall manage the client's assets, and a separate custodial/clearing agreement with *Royal*.

NCA believes that the custodial services provided by *Royal* and the costs of those services incurred by the client are consistent with NCA's fiduciary duty and best execution responsibilities. NCA has made this determination based upon *Royal's* historical relationship with NCA, as well as, *Royal's* financial strength, reputation, execution capabilities, pricing, research, and service. **Please Note:** Although the commissions and/or transaction fees paid by NCA's clients shall comply with NCA'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. However, 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 a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, *Royal* may not offer the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by *Royal* are exclusive of, and in addition to, NCA's investment management fee. NCA'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. **Please Note:** in a wrap-fee program, including *Royal's* wrap-fee program, the commissions and/or transactions fees are included in the wrap fee paid by the client.

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, NCA may receive from *Royal* (or another broker-dealer/custodian/mutual fund or product sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist NCA to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by NCA 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 NCA 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 NCA in managing and administering client accounts. Others do not directly provide such assistance, but rather assist NCA to manage and further develop its business enterprise.

NCA's clients do not pay more for investment transactions effected and/or assets maintained at *Royal* as a result of this arrangement. There is no corresponding commitment made by NCA to *Royal* 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 result of the above arrangement.

NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.

2. NCA Financial Planners does not receive referrals from broker-dealers.
3. NCA does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). Rather, NCA allocates client investment assets among various mutual funds, and, to a lesser extent, among exchange traded funds, individual securities (stocks) and/or individual fixed-income securities (bonds, etc.) on a discretionary basis, in conjunction with the wrap-fee program (discussed above) sponsored by *Royal*.

NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that NCA provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless NCA decides to purchase or sell the same securities for several clients at approximately the same time. NCA 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 its 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. NCA 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 NCA provides investment supervisory services, account reviews are conducted on an ongoing basis by NCA's Principal and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise NCA 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 NCA on an annual basis.

- B. NCA Financial Planners **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. NCA 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, NCA Financial Planners may receive an indirect economic benefit from *Royal*. NCA, without cost (and/or at a discount), may receive support services and/or products from *Royal*.

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

NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest any such arrangement may create.

- B. NCA Financial Planners does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

NCA Financial Planners 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. NCA may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that NCA provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by NCA with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of NCA's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage NCA Financial Planners to provide investment advisory services on a discretionary basis. Prior to NCA assuming discretionary authority over a client's account, the client shall be required to execute an *Statement of Investment Selection*, naming NCA as the client's attorney and agent in fact, granting NCA 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 NCA on a discretionary basis may, at anytime, impose restrictions, **in writing**, on NCA'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 NCA's use of margin, etc.).

Item 17 Voting Client Securities

- A. NCA Financial Planners does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities 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 NCA Financial Planners to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. NCA Financial Planners does not solicit fees of more than \$1,200, per client, 6 months or more in advance.
- B. NCA Financial Planners 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. NCA Financial Planners has not been the subject of a bankruptcy petition.

ANY QUESTIONS: NCA Financial Planners' Chief Compliance Officer, Kelly Russell, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.