

**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of Union Financial Partners, San Francisco, Inc. If you have any questions about the contents of this brochure, please contact us at (415) 563-3000 or [aterranova@ufpartners.com](mailto:aterranova@ufpartners.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 Union Financial Partners, San Francisco, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 127310.

## **Item 2    Material Changes**

Since our last publication of our Firm Brochure dated March 9, 2016 we made the following material changes to our disclosure brochure:

1.      Our regulatory assets under management exceed \$100 million. Accordingly, we are switching our investment adviser registration from state to SEC registration.

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## **Item 4     Advisory Business**

Union Financial Partners, San Francisco, Inc. ("Union Financial Partners") is a fee-only SEC-registered investment adviser with its principal place of business located in San Francisco, California. Union Financial Partners began conducting business in June 2004 with Ann J. Terranova as the CEO and majority shareholder.

Union Financial Partners offers the following advisory services to our clients:

### **PORTFOLIO MANAGEMENT SERVICES**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. As of December 6, 2016 we managed \$99,119,741 of client assets on a discretionary basis and \$12,340,785 of client assets on a non-discretionary basis.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

Exchange-listed securities, securities traded over-the-counter, foreign issuers, warrants, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States governmental securities, options contracts on securities, options contracts on commodities, futures contracts on tangibles, futures contracts on intangibles, interests in partnerships investing in real estate and oil and gas.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Union Financial Partners does not sponsor or participate in any wrap fee programs.

### **FINANCIAL PLANNING SERVICES**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We will inventory your current investments, analyze those investments and recommend and educate you about investments suitable to your income tax, estate and family circumstances, liquidity needs, retirement goals, objectives and economic resources. We will review investments with regard to how they integrate with your goals, cash flow, estate planning, liquidity and other aspects of your financial circumstances. We will make recommendations for your investments to integrate with your overall financial and multi-generational wealth management needs. We will undertake an in-depth analysis of your past investments and your decision making processes to help you make well-informed investment decisions. Investment strategies are designed specifically to meet your personal needs and circumstances. In addition, we will recommend:
  1. asset classes appropriately diversified to meet short, intermediate and long-term financial goals;
  2. a portfolio structure that is designed to take advantage of asset location (taxable vs. tax-exempt accounts) including implications of the new dividend tax cuts;
  3. investments appropriate to meet cash flow needs within the context of tax planning and long-term financial security.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We produce a long-term retirement model, or a series of them, that outline a client's path to financial independence. We develop current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law. The nature of this review is not the same as offering legal advice. Ann Terranova is not an attorney and is therefore not qualified to render legal advice. We do, however, identify areas that may require legal attention and can recommend a client seek appropriate legal advice.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or fee-only investment advisers. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, real estate, home purchase, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **LIMITED ENGAGEMENT AND HOURLY CONSULTING**

We also provide financial advice to clients who seek limited engagements and hourly consulting. This may include advice on only an isolated area(s) of concern such as cash flow management, estate planning, retirement planning, or any other specific topic.

### **ADMINISTRATIVE SERVICES PROVIDED BY ORION ADVISOR SERVICES, LLC**

Union Financial Partners has contracted with Orion Advisory Services, LLC (referred to as "Orion") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts.

Due to this arrangement, Orion will have access to client accounts, but Orion will not serve as an investment advisor to Union Financial Partners clients. Union Financial Partners and ORION are non-affiliated companies. ORION charges Union Financial Partners a fee for each account administered by ORION. The annual fee is paid from the portion of the management fee retained by Union Financial Partners.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT FEES**

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management and range from 0.20% to 1.50% depending on value of assets under management.

Portfolio management fees may be negotiable. Fees are determined by the client facts, circumstances and needs. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

Fees are billed in arrears at the beginning of each quarter, based upon the billable balance on the last day of the previous calendar quarter, pro-rated for additions and withdrawals. Portfolio Management fees are directly debited from clients' custodial accounts.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee, but are not required to do so by the terms of our Investment Advisory Agreement.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

### **FINANCIAL PLANNING FEES**

Union Financial Partners' Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

For written financial plans our fees are negotiated and range from \$250 to \$10,000 depending on the complexity of a client's situation. We will provide an estimate for the total hours at the start of the financial planning relationship. However, the fee is a "project" not an hourly-based fee.

A deposit of one-half of the fixed fee is due before the work commences. The deposit will never exceed \$1,200 for work that will not be completed within six months. The remaining balance is due upon presentation of the plan. If a client terminates the financial planning agreement, then any pre-paid fees will be refunded on a pro-rata basis.

### **LIMITED ENGAGEMENT OR HOURLY CONSULTING**

We also provide clients who need limited financial planning or investment advice on an hourly basis. Our hourly fee is a maximum of \$250.00 per hour and is payable after services are rendered. These engagements are negotiated and clients will be provided with an estimate for the total hours and scope of work at the start on the limited engagement.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. Any prorated fees earned in arrears will be charged and due immediately. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. We are generally billing in arrears, therefore there would not be any reimbursement upon termination.

***Mutual Fund Fees:*** All fees paid to Union Financial Partners for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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. Our firm does not recommend any mutual funds that impose initial sales charges or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm 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. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers. We will review with clients any separate program fees that may be charged to clients (see Page 7 above).

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***ERISA Accounts:*** Union Financial Partners is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Union Financial Partners may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Union Financial Partners' advisory fees.

***Advisory Fees in General:*** Clients should note that lower fees for comparable services may be available from other sources.

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

Union Financial Partners does not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 Types of Clients**

Union Financial Partners provides advisory services to individuals, pension and profit sharing plans (other than plan participants), charitable organizations, and corporations or other businesses.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Quantitative Analysis.*** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.



A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Portfolio Construction.** We use a statistical analysis of asset classes and correlations between asset classes to develop a set of risk-targeted portfolios upon which our investment recommendations are based. These portfolios may be selected based on the short, intermediate, or long-term time horizon of the financial goal that each portfolio of funds is supposed to fulfill.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

### **CODE OF ETHICS DISCLOSURE**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Ann Terranova, CEO at the firm's principal office address.

***Ann Terranova is a CFP™ Certificant, a member of the Financial Planning Association (FPA), and a member of the National Association of Financial Planners (NAPFA) and is bound by the code of ethics of all three organizations.***

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.
3. We do not aggregate employee trades with client trades.
4. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by Ann Terranova.
5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.

6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. Any individual not in observance of the above may be subject to disciplinary action or termination.

## **Item 12 Brokerage Practices**

Union Financial Partners does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As a matter of policy and practice, Union Financial Partners does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Union Financial Partners has an arrangement with Fidelity Institutional Registered Investment Adviser Group, Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Union Financial Partners in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Union Financial Partners to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Union Financial Partners (within specified parameters). These research and brokerage services presently include services such as Bond Desk Research, Fidelity Advisory Market Commentaries, Advisor Channel Investment Software, Trading Desk Operations, and are used by our firm to manage accounts for which we have investment discretion.

Union Financial Partners may also receive additional services which may include back office operational support, real time and historical market data, client management tools, charitable services, wealth management support, marketing and IT support services. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Union Financial Partners' clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a transaction charge that is higher than another qualified custodian might charge to effect the same transaction where we determine in good faith that the transaction charge is reasonable in relation to the value of the brokerage and research services received. 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, while Union Financial Partners will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible transaction charge rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a transaction charge paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Union Financial Partners and Fidelity are not affiliated.

Union Financial Partners also has an arrangement with the Trust Company of America ("TCA") through which TCA provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Union Financial Partners in conducting business and in serving the best interests of our clients but that may also benefit us.

Union Financial Partners entered into this additional custody arrangement with TCA after Fidelity increased their sales charges for certain mutual funds that are integral to most Union Financial Partners investment strategies. TCA does not charge a "per trade" commission or sales charge. Instead they charge a quarterly "custody" fee to our clients based on the value of the client account for their services and do not charge any fees or commissions when buying or selling securities in our client accounts. After much research Union Financial Partners found that a good portion of our clients would benefit from having a quarterly custody fee charged rather than paying the increased sales charges from Fidelity. This arrangement gives Union Financial Partners the ability to manage client portfolios without the worry of having to pay transaction fees for mutual fund trades that can have an adverse impact on our clients' performance.

As a result of this partnership, a good portion of our client accounts will be managed more accurately to their Target Portfolio. The TCA system makes use of a "model portfolio" system. Union Financial Partners is able to set up our proprietary portfolios on the TCA system and assign a portfolio to a client account. The TCA system will allow us to rebalance a client portfolio to their target portfolio on a monthly or quarterly basis without fear of excessive fees.

TCA will also provide performance reporting on client accounts. We currently pay a third party to produce our client quarterly reports. By utilizing the TCA quarterly performance reporting feature, Union Financial Partners is able to keep costs lower for our clients. Clients will be able to more readily review their performance. Clients will be able to review their performance for any time period; day-to-day, monthly, quarterly or annual basis.

Union Financial Partners also has an arrangement with Tradeweb Direct LLC and/or BondDesk Group LLC ("Tradeweb Direct"). Currently, Union Financial Partners executes bond trades directly with through Tradeweb Direct's website and settles the trades through a Prime Brokerage (such as Fidelity, however Union Financial Partners may use other custodians in the future). Tradeweb Direct is a sophisticated municipal market professional as defined by MSRB Rule D-15. As applicable, Tradeweb Direct exercises independent judgment in evaluating (a) the recommendations of dealers; (b) the quality of execution of transactions by dealers; and (c) the transaction price for non-recommended secondary market agency transactions as to which (i) a dealer's services have been explicitly limited to providing anonymity, communication, order matching and/or clearance functions and (ii) the dealer does not exercise discretion as to how or when the transactions are executed. Tradeweb Direct also has timely access to material information that is available publicly through established industry sources as defined in MSRB Rule G-47(b)(i) and (ii).

In addition, Union Financial Partners manages assets at these additional custodians as a "one off" for a few select clients: Transamerica, Scottrade, Kathrein, Valartis, ING, Midland National, Lincoln

Benefit Life and Morgan Stanley.

Union Financial Partners also has recordkeeping/custodial relationships with Verisight, Employee Fiduciary Corp, TCA, and other technology and recordkeeping platforms that serve our 401(k) clients. In these cases, client's funds are custodied with Fidelity, Matrix, TCA or another qualified custodian. Union Financial Partners and the aforementioned companies are not affiliated and receive no additional compensation from these service providers and/or custodians.

## **Item 13 Review of Accounts**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Ann Terranova, CEO conducts quarterly reviews of account holdings for all clients. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Economic and macroeconomic specific events may also trigger reviews.

In addition to the monthly and quarterly statements and confirmations of transactions that clients receive from their particular custodian we provide quarterly reports summarizing account performance, balances and holdings.

### **FINANCIAL PLANNING SERVICES**

While periodic review may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for. Annual reviews of financial plans may be scheduled at the request of clients.

## **Item 14 Client Referrals and Other Compensation**

### **CLIENT REFERRALS**

Our firm does not pay referral fees to any person or organization for introducing clients to us.

It is Union Financial Partners' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other

things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the monthly and quarterly statements and confirmations of transactions that clients receive from their particular custodian, we provide quarterly reports summarizing account performance, balances and holdings. We urge our clients to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. (With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.) To direct us to vote a proxy in a particular manner, clients should contact Ann Terranova by telephone, electronic mail, or in writing.

When we have discretion to vote proxies for our clients, we will vote those proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Ann Terranova directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18    Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Union Financial Partners has no such financial circumstances to report and has not been subject of a bankruptcy petition at any time during the past ten years.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a balance sheet.