



TAYLOR *and* TAYLOR  
FINANCIAL SERVICES USA LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Taylor and Taylor Financial Services USA LLC. If you have any questions about the contents of this brochure, please contact us at 646-201-4865 or by email at: [Richard@TaylorTaylorUSA.Com](mailto:Richard@TaylorTaylorUSA.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 Taylor and Taylor Financial Services USA LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Taylor and Taylor Financial Services USA LLC's CRD number is: 289185.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Taylor and Taylor Financial Services USA LLC has made the following material changes to this brochure since its last annual amendment on 02/14/2019:

- Taylor and Taylor Financial Services USA LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Taylor and Taylor Financial Services USA LLC (hereinafter “T&T”) is a Limited Liability Company organized in the State of Delaware. The firm was formed in April 2017, and the principal owners are Richard Taylor and Thomas Quinn.

T&T focuses entirely on providing specialist cross border advice to British expatriates – individuals and families - living in the USA. Such individuals generally have additional concerns, complexities and considerations that arise as a result of their original UK domicile – including but certainly not limited to, UK based products such as pensions, ISAs, endowment policies, unit trusts - that even the best non-specialist investment managers may be unaware of, often with considerable financial consequences.

Comprehensive “Lifestyle” financial planning is at the heart of the service we provide and is a service we aspire to offer to every client. We firmly believe that it is impossible to give quality financial and/or investment advice to clients on any one area/product without knowing their wider financial plan; that until we know and understand the client we have no right to tell them what to do with any of their money.

By utilizing different financial planning software providers, we are able to provide comprehensive and specific financial plans that account for moves away from the USA. We believe this to be a unique proposition in the marketplace.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

T&T offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. T&T creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

T&T evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

T&T seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of T&T’s economic, investment or other financial interests. To meet its fiduciary obligations, T&T attempts to avoid, among other things,

investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, T&T's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is T&T's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Financial Planning Provided Under Portfolio Management Fee***

For all clients with at least \$500,000 under our management across all products/investments, we provide comprehensive financial planning services, which we offer as part of the annual percentage-based fee for Portfolio Management Services. We will consider waiving the \$500,000 minimum on a case-by-case basis.

Through our "Lifestyle Financial Planning" approach, we aim to bring clarity and understanding to all the relevant areas of a client's financial life (of course, what is relevant is a constantly changing). Topics included as part of the financial planning services may include, but are not necessarily limited to, the following:

Financial organization; Retirement planning; Education planning; Long-term care; Insurance planning; Debt management; Investments; Tax planning; Estate planning; Life events

Lifestyle Financial Planning is a holistic approach to financial planning that focuses on helping clients to identify, achieve and maintain their desired future lifestyle (which of course will entail covering some, if not all, of the aforementioned topics) without fear of ever running out of money.

We believe that many, if not all, of the "money concerns" and investment/product focuses and worries clients tend to have actually stem from the same fear – that they may one day be forced to alter their lifestyle downwards, or not meet all their desired lifestyle obligations. We aim to bring clarity and confidence to this issue in the form of a concrete, regularly reviewed and updated financial plan that focuses on securing their desired way of life.

We will interview and consult with each client to determine the client's personal financial situation and objectives and to analyze the client's financial documentation. As applicable, we then review the client's assets and liabilities, investment portfolio, retirement plan, education plan, risk management plan, risk tolerance, and estate plan, as well as other areas relevant to the client's financial health. We will then build a model for the client that covers some or all of the above. This usually leads to a series of recommendations for action to improve the client's plan to give them more chance of meeting their objectives.

Our clients are based across the US and therefore we provide our services on a remote basis – via email, telephone, web meetings etc. and are available to work with the client throughout the year to implement the plan. We do regularly travel to meet clients, but this is not part of the formal service proposition.

Clients are offered at least two formal scheduled meetings per year – one "Portfolio Review" to review their investments and make any required changes, and one "Forward Planning Meeting" to update their Plan to take into account changes in the client's financial situation, as well as changes in the investment markets, tax laws, estate planning laws, and so on.

The client is ultimately responsible for communicating changes in circumstances to T&T so that we can provide the most accurate advice and counsel possible. We are available year-round to assist with the implementation of the plan and to answer any client questions, but the client is ultimately responsible for the implementation or rejection of our recommendations. Clients are never obligated or required to implement our recommendations.

### ***Services Limited to Specific Types of Investments***

T&T generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), equities, ETFs (including ETFs in the gold and precious metal sectors) and treasury inflation protected/inflation linked bonds. T&T may use other securities as well to help diversify a portfolio when applicable.

### ***UK Pension Consulting & Management***

Many of the clients in the market we serve (British expatriates living throughout the USA) have various legacy pensions in the UK. One of the key services we provide is consultancy and administration support in understanding the options clients have as US residents and the different implications of a transfer. Of the solutions available to them to transfer their UK pensions, we support and provide advice on:

#### ***Qualifying Recognized Overseas Pension Scheme (QROPS)/ Self-Invested Personal Pension (SIPP)***

A QROPS (now known as ROPS) is considered a qualifying recognized overseas pension if it satisfies certain HMRC requirements. The QROPS manager must have correctly notified HMRC that the QROPS is a recognized overseas pension and provided evidence to HMRC where required.

A Self-Invested Personal Pension (SIPP) is the name given to the type of UK government-approved personal pension scheme, which allows individuals to make their own investment decisions from the full range of investments approved by HM Revenue and Customs (HMRC).

T&T does not maintain pension assets. All pension assets are administered by a regulated pension trustee (authorized by the relevant financial services regulator where the pension plan is held) and subject to the terms and conditions of a separate agreement between Client and the pension trustee. Current trustees are STM Malta Trust and Company Management Limited and Trireme Pension Services (Malta) Limited ("Trireme"). Current SIPP trustees are London & Colonial (L&C), (L&C are part of the STM Group), IPM SIPP Administration Ltd and Novia Financial Services LTC.

QROPS/SIPP assets are typically held custody by the Client's selected custodian and subject to the terms and conditions of a separate agreement between the Client's trustee and the custodian.

Clients are strongly encouraged to review their agreements with their pension trustees and any and all other disclosure materials provided by the pension trustees and the custodian for a full understanding of the services provided and any associated costs therein. Pension plan statements and other reports are generally sent directly to Clients on a least an annual basis. Clients are

encouraged to review such material carefully for a complete understanding of the services offered and the costs associated with the management of such pension plans. Questions regarding T&T's services, fees, and other associated issues may be addressed with Firm personnel directly.

T&T solely offers its services to Clients on an advisory basis.

T&T does not provide any tax advice including, without limitation, in relation to any US tax reporting requirements and/or other tax implications arising in relation to Clients' pension transfers. Although from time to time we may inform Clients of tax developments, we recommend that Clients seek their own tax advice, including in relation to procedures under tax treaties between the United States and the U.K. (or other applicable jurisdiction) for the avoidance of double taxation on their U.K./EU pension arrangements.

### **C. Client Tailored Services and Client Imposed Restrictions**

T&T offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. T&T does not participate in any wrap fee programs.

### **E. Assets Under Management**

T&T has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$0	\$ 33,221,283	December 2018



## Item 5: Fees and Compensation

### A. Fee Schedule

T&T charges portfolio management fees (“management fees”) at the annual rates shown below, which are expressed as a percentage of Client assets under management.

Product/Platform Assets Under Management	Annual Fee for SIPP ( <u>flat fee</u> )	Annual Fee for US Managed Funds ( <u>graded fee</u> )	Annual Fee for QROPS ( <u>flat fee</u> )
Up to \$1,000,000 / 750,000 GBP	1.25%	1.25%	1.00%
\$1,000,001 - \$2,000,000	1.00%	1.00%	1.00%
\$2,000,001 - \$5,000,000	1.00%	0.75%	1.00%
\$5,000,001 +	1.00%	0.50%	1.00%
Billing Cycles	Billed monthly in arrears	Billed monthly in arrears	<u>Legacy QROPS</u> : billed bi-annually (i.e. every 6 months) in advance. <u>Novia QROPS</u> : billed monthly in arrears.
Negotiable	Non-negotiable	Non-negotiable	Non-negotiable
Payments	Directly debited from the Account	Directly debited from the Account	Directly debited from the Account
Fee Calculation	Value of the account as of the last day of the billing period.	Average of daily balance in client's account throughout the billing period	<u>Legacy QROPS</u> : value of the account as of the first business day of the billing period. <u>Novia QROPS</u> : value of the account as of the last day of the billing period.

Lower fees for comparable services may be available from other sources.

Assets under management are valued by third parties unaffiliated with T&T. T&T's management fees are exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses that are incurred by Client.

T&T calculates its management fee against all assets in the investment account, unless specifically excluded. Therefore, fee calculations include cash balances invested in money market funds, short-term investment funds, ETFs, mutual funds, and all other investment holdings. The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided.

Generally, the fee is non-negotiable although T&T, in its sole discretion, may agree to charge a lesser management 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, pre-existing client, account retention, pro bono activities, etc.).

A "flat fee" is one where the entire asset value is charged the same percentage. For example, a \$500,000 SIPP would be charged at 1.25% p.a., whereas a \$1.5m SIPP would be charged at 1%.

A "graded fee" is one where multiple percentage rates can be applied depending on the value of the assets held across the custodian. For example, for clients with \$1.5m across all their US accounts that T&T manages the fee would be calculated as follows: the first \$1m p.a. at 1.25% p.a. and then the next \$500,000 at 1% p.a.

"Legacy QROPS" are those that utilize a portfolio bond as the custodian (usually either RL360 or Generali). T&T also manages QROPS that utilize Novia Global as the investment platform ("Novia QROPS"), in which case the billing cycle is monthly in arrears.

The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of T&T's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### **Fixed Fees**

### ***UK Pension Consulting Services***

Many of our clients have legacy UK products – predominantly one or more UK pensions in their various forms – and T&T can help such clients understand their options, facilitate a transfer/rollover into a more attractive vehicle (if it is deemed to be in their best interest) and provide ongoing management to the resultant pension vehicle. However, this is a nuanced, highly specialised and heavily regulated area of advice in the UK and the manner in which we provide help and advice depends on the type(s) of pension(s) clients hold.

There are two sorts of UK pension – Defined Benefit (also called: Final Salary) and Defined Contribution (also called: Money Purchase). Clients with either and/or both of these pensions usually have the option of transferring (known as “rolling” in the US) them into another UK pension consolidation vehicle known as a Self-Invested Personal pension (SIPP).

#### Defined Contribution Pension Transfers

If a client has defined contribution (“DC”) pension, then T&T is able to advise clients directly on the merits of rolling their defined contribution pension(s) into a SIPP and can help facilitate the transaction if all parties agree that it is in the client’s best interest to do so.

In addition to the annual percentage fee for ongoing advice and management, T&T charges a one-off “SIPP Opening Fee” of 1% of the total transfer value (or £1,000 per pension, whichever is higher) to cover the cost of both our advice and the processing of the paperwork, which is much more involved than the US equivalent of a 401k rollover into an IRA.

Whilst for the majority of clients we encounter with DC pensions a rollover into a SIPP often appears to be clearly in the best interests of the client, it must be noted that T&T will be remunerated for both the transfer and the ongoing management of the resultant SIPP, and this creates an inherent conflict of interest for us to recommend a transfer. In many circumstances, it is abundantly clear that consolidating into a flexible SIPP is in the best interests of the client and the level of service we offer for both the initial and ongoing fee is reasonable and competitive, however it is important that perspective clients take this conflict into consideration when deciding whether or not to transfer.

T&T does not provide any tax advice including, without limitation, in relation to any U.S. tax reporting requirements and/or other tax implications arising in relation to Clients’ pension transfers. Although, from time to time, T&T may inform Clients of tax developments, T&T strongly recommends that Clients seek their own tax advice, including advice on procedures under tax treaties between the U.S. and the UK (or other applicable jurisdiction) for the avoidance of double taxation on their respective pension arrangements.

T&T can introduce Clients to a completely unaffiliated CPA who has experience and knowledge of UK pensions and has agreed to provide personalized advice to T&T clients for a discounted fee (the “Tax Memo Fee”) that can be taken from Client’s SIPP following transfer along with T&T’s “SIPP Opening Fee”.

Clients are under absolutely no obligation to use the CPA we have negotiated terms with. T&T can work with Client’s chosen CPA, should that be preferred.

#### Defined Benefit Transfer Advice

As of April 2015 the UK requires that anyone wishing to transfer out of a defined benefit (“DB”) pension has to take specific advice from a financial adviser who is registered with the FCA in the UK and has the specific qualifications and regulatory permissions to provide transfer advice to members of final salary pension schemes.

T&T have partnered with several firms in the UK (“UK adviser”) who have the necessary permissions, qualifications and experience to provide this service to our clients. Having undertaken the initial data gathering with a client, if the client wishes to investigate their options further and receive formal UK advice on whether or not to transfer out of their UK DB pension we will introduce them to one of these UK advisers who will provide the specific Transfer Analysis (known as TVAS) and advice.

The UK advisers have similar but different charging structures. All charges will be fully explained to Clients well in advance of any transaction and are usually subject to a separate agreement with the Client.

In addition to the annual percentage fee for ongoing advice and management, T&T charges a one-off “SIPP Opening Fee” of 1% of the total transfer value (or £1,000 per pension, whichever is higher) to cover the cost of both our advice and the processing of the paperwork. This fee is in addition to any fees charged by the UK adviser selected to provide the specific UK Defined Benefit Transfer analysis and advice (the “TVAS Fee”) and any fees charged by a CPA for tax advice on the rollover and ongoing reporting requirements (the “Tax Memo Fee”).

T&T only receives payment upon a transfer, which does create a conflict of interest that could encourage T&T to recommend a transfer. Therefore, T&T does not give DB pension transfer advice. T&T will assist in the initial data gathering, provide information on T&T’s ongoing service proposition, assist in the preparation and logistics of applications should a transfer proceed and provide suitability information on the underlying SIPP that will receive the pension monies. To confirm, T&T will not give advice on the actual merits or otherwise of transferring out of a final salary pension – that will be provided solely by the UK adviser.

T&T does not provide any tax advice including, without limitation, in relation to any U.S. tax reporting requirements and/or other tax implications arising in relation to Clients’ pension transfers. Although, from time to time, T&T may inform Clients of tax developments, T&T strongly recommends that Clients seek their own tax advice, including advice on procedures under tax treaties between the U.S. and the UK (or other applicable jurisdiction) for the avoidance of double taxation on their respective pension arrangements.

T&T can introduce Clients to a completely unaffiliated CPA who has experience and knowledge of UK pensions and has agreed to provide personalized advice to T&T clients for a discounted fee (the “Tax Memo Fee”) that can be taken from Client’s SIPP following transfer along with T&T’s “SIPP Opening Fee”.

Clients are under absolutely no obligation to use either the UK advisers we have partnered with and/or the CPA we have negotiated terms with. T&T can work with other UK firms and Client’s chosen CPA, should that be preferred.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Most asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Most fees are paid in arrears. The exception to this rule is for legacy QROPS, where fees are withdrawn bi-annually (every six months) and in advance. Legacy QROPS are QROPS that utilize a portfolio bond as the investment platform (usually Generali or RL360).

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by T&T. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

T&T collects its fees in arrears and, for legacy QROPS, in advance. T&T collect legacy QROPS fees bi-annually to reduce the number of transactions within clients QROPS and to reduce the administration burden on the trustees. T&T bills the trustee (STM) in January for Half 1 ("H1" – January to June) and July for Half 2 ("H2" - July to December). Either party can immediately terminate the relationship by giving the other party written notice (email being considered "written"). QROPS fees that have been taken in advance will be refunded from the day the written notice is received (for example, if a client terminated their relationship with T&T as of 31 March, T&T would refund 50% of the fee received for H1, which was billed the prior January).

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither T&T nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

T&T does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

T&T generally provides advisory services to the following types of clients:

- ❖ British Expatriate Individuals

❖ British Expatriate High-Net-Worth Individuals

There is an account minimum of \$500,000, which may be waived by T&T in its discretion.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

T&T's methods of analysis include Fundamental analysis, Modern portfolio theory and Technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### *Investment Strategies*

T&T uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and

increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither T&T nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.



## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither T&T nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

As of April 2015 the UK requires that anyone wishing to transfer out of a defined benefit (“DB”) pension has to take specific advice from a financial adviser who is registered with the FCA in the UK and has the specific qualifications and regulatory permissions to provide transfer advice to members of final salary pension schemes.

T&T have partnered with several firms in the UK (“UK adviser”) who have the necessary permissions, qualifications and experience to provide this service to our clients. Having undertaken the initial data gathering with a client, if the client wishes to investigate their options further and receive formal UK advice on whether or not to transfer out of their UK DB pension we will introduce them to one of these UK advisers who will provide the specific Transfer Analysis (known as TVAS) and advice.

The UK advisers have similar but different charging structures. All charges will be fully explained to Clients well in advance of any transaction and are usually subject to a separate agreement with the Client.

In addition to the annual percentage fee for ongoing advice and management, T&T charges a one-off “SIPP Opening Fee” of 1% of the total transfer value (or £1,000 per pension, whichever is higher) to cover the cost of both our advice and the processing of the paperwork. This fee is in addition to any fees charged by the UK adviser selected to provide the specific UK Defined Benefit Transfer analysis and advice (the “TVAS Fee”) and any fees charged by a CPA for tax advice on the rollover and ongoing reporting requirements (the “Tax Memo Fee”).

T&T only receives payment upon a transfer, which does create a conflict of interest that could encourage T&T to recommend a transfer. Therefore, T&T does not give DB pension transfer advice. T&T will assist in the initial data gathering, provide information on T&T’s ongoing service proposition, assist in the preparation and logistics of applications should a transfer proceed and provide suitability information on the underlying SIPP that will receive the pension monies. To confirm, T&T will not give advice on the actual merits or otherwise of transferring out of a final salary pension – that will be provided solely by the UK adviser.

T&T does not provide any tax advice including, without limitation, in relation to any U.S. tax reporting requirements and/or other tax implications arising in relation to Clients’ pension transfers. Although, from time to time, T&T may inform Clients of tax developments, T&T strongly recommends that Clients seek their own tax advice, including advice on procedures under tax

treaties between the U.S. and the UK (or other applicable jurisdiction) for the avoidance of double taxation on their respective pension arrangements.

T&T can introduce Clients to a completely unaffiliated CPA who has experience and knowledge of UK pensions and has agreed to provide personalized advice to T&T clients for a discounted fee (the "Tax Memo Fee") that can be taken from Client's SIPP following transfer along with T&T's "SIPP Opening Fee".

Clients are under absolutely no obligation to use either the UK advisers we have partnered with and/or the CPA we have negotiated terms with. T&T can work with other UK firms and Client's chosen CPA, should that be preferred.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

T&T does not utilize nor select third-party investment advisers. All assets are managed by T&T management.

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

#### **A. Code of Ethics**

T&T has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. T&T's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

T&T does not recommend that clients buy or sell any security in which a related person to T&T or T&T has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of T&T may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of T&T to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may

create a conflict of interest. T&T will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of T&T may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of T&T to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, T&T will never engage in trading that operates to the client's disadvantage if representatives of T&T buy or sell securities at or around the same time as clients.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on T&T's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and T&T may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in T&T's research efforts. T&T will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

T&T recommends Trade-PMR Inc., Member FINRA SIPC. Trade-PMR, Inc. for US accounts Novia Global Ltd., FCA Register Number: 653661 for SIPP and QROPS accounts, Generali Worldwide Insurance Company Ltd and RL360 Insurance Company Limited. RL360 Insurance Company Limited is used for clients who were taken on with existing assets, and no new business is directed to this custodian.

#### **1. Research and Other Soft-Dollar Benefits**

While T&T has no formal soft dollars program in which soft dollars are used to pay for third party services, T&T may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). T&T may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be

no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and T&T does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. T&T benefits by not having to produce or pay for the research, products or services, and T&T will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that T&T's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## **2. Brokerage for Client Referrals**

T&T receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

T&T may permit clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to T&T to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

T&T does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for T&T's advisory services provided on an ongoing basis are reviewed at least Annually by Richard Taylor, Managing Member, CEO & CCO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at T&T are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Richard Taylor, Managing Member, CEO & CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, T&T 's services will generally conclude upon delivery of the financial plan.

For QROPS accounts, T&T, typically prepares an updated "QROPS Tracker" document in conjunction with each portfolio reviews, plus provides a formal statement from the investment provider.

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of T&T 's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

As described in Items 5 and 10(C) and 12, T&T receives payment from the UK SIPP trustee following a pension transfer into a SIPP. T&T receives 1% of the amount transferred into the SIPP (or £1,000 if higher), which is paid to T&T by the SIPP trustee, but comes directly from the client's SIPP account following the transfer (so whilst payment is facilitated by the SIPP trustee, the funds are directly from the Client's account and are subject to separate approval by Clients) .

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

T&T does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

# **Item 15: Custody**

When T&T directly instructs the custodian to deduct its advisory fees from client accounts, T&T will be deemed to have custody of client's assets. Because client fees will be withdrawn directly from client accounts upon T&T's instruction to the custodian, in states that require it, T&T will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from T&T.

### **Item 16: Investment Discretion**

T&T does not have discretion over client accounts at any time.

### **Item 17: Voting Client Securities (Proxy Voting)**

T&T will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

T&T neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither T&T nor its management has any financial condition that is likely to reasonably impair T&T's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

T&T has not been the subject of a bankruptcy petition in the last ten years.