

Item 1: Cover Page

**Eudaimonia Partners, LLC**



Family Fortune Financial, LLC

**Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure**

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**<https://familyfortunefinancial.wordpress.com/>**

Dated March 29, 2019

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Family Fortune Financial, LLC. If you have any questions about the contents of this Brochure, please contact us at (843) 314-4313. 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.

Family Fortune Financial, LLC is registered as an Investment Adviser with the U.S. Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

Additional information about Family Fortune Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

CRD: 283884

## Item 2: Material Changes

Family Fortune Financial, LLC is required to advise you of any material changes to our Wrap Fee Program Brochure (“Wrap Brochure”) from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes made since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

Please note we do not have to provide this information to a client or prospective client who has not received a previous version of our Wrap Brochure. At this time, there are no material changes to report about our Wrap Brochure.

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## **Item 4: Services, Fees and Compensation**

### **Description of Our Services**

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### **Types of Advisory Services**

We offer the following services:

#### **Investment Management Services**

We are in the business of managing individually tailored investment portfolios. 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 or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure. This service is offered on both a non-discretionary and discretionary basis.

Clients generally retain Family Fortune Financial, LLC to prepare a full financial plan. This written report is presented to the client for consideration. As a part of the financial planning process, Family Fortune Financial, LLC may design an Investment Plan for the client. The Investment Plan outlines the client's investment objectives and guidelines and may include an assessment of the client's risk tolerance. The Investment Plan typically outlines the types of investments that may be appropriate for the client in order to meet those goals.

#### **Wealth Management Services**

Our Wealth Management Service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment

portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

### **Wealth Management Services Wrap Fee Program Fee Schedule**

Our standard advisory fee is based on **Annual Advisory Fee** the market value of the assets under management and is calculated as follows: **Account Value**

First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Next \$4 million	1.00%
Balance over \$5 million	0.75%

The annual fees are negotiable and are pro-rated and paid in advance on quarterly basis.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a billing period will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client on a prorated basis.

### **Additional Bundled Service Cost Considerations**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you

would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Additional Expenses Not Included in the Wrap Program Fee**

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, fees for trades executed away from the custodian, and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

### **Compensation**

Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

### **Item 5: Account Requirements and Types of Clients**

We provide financial planning and portfolio management services to individuals, trusts and estates.

Our minimum account size requirement may apply. Under certain circumstances and at our sole discretion, Family Fortune Financial, LLC, may negotiate such minimums.

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **Outside Portfolio Managers**

We do not hire outside Portfolio Managers.

#### **Family Fortune Financial, LLC Portfolio Managers**

Our firm acts as portfolio manager for the wrap fee program previously described in this Wrap Fee Program Brochure. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our firm is not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program.

## **Advisory Business**

See Item 4 of this Wrap Fee Program Brochure for information about our wrap fee advisory programs.

## **Individual Tailoring of Advice to Clients**

We offer individualized investment advice to clients utilizing our Asset Management and Comprehensive Portfolio Management services.

## **Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities**

We do allow clients to impose reasonable restrictions on investing in certain securities or types of securities.

## **Participation in Wrap Fee Programs**

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

## **Performance-based fees and side-by-side management**

We do not charge performance-based fees.

## **Investment Strategies and Material Risks Involved**

### **Investment Strategies**

Family Fortune Financial, LLC may recommend that a client's investment portfolio be apportioned to various asset classes according to the client's goals, risk tolerance and investment horizon.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** There can be no assurance that the recommended asset allocation will be able to fully meet a client's investment objectives and goals.

**Equity Market Risks.** Family Fortune Financial, LLC may recommend that a client allocate a portion of investable assets to equity investments. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

**Fixed Income Risks.** Family Fortune Financial, LLC may recommend that a client allocate a portion of investable assets to fixed income instruments. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.** Family Fortune Financial, LLC may recommend that a client gain exposure to fixed income or equity instruments via mutual funds, ETFs and other investment pools (“pooled investment funds”). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds’ success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

### **Voting Client Securities**

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client’s investment assets. The Client shall instruct the Client’s qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client’s investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

### **Item 7: Client Information Provided to Portfolio Manager**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc.) to ensure you’re most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will



communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

#### **Item 8: Client Contact with Portfolio Manager**

Our clients may directly contact their portfolio manager(s) with questions or concerns by calling the number on this Brochure.

#### **Item 9: Additional Information**

##### **Disciplinary Information**

We have determined that our firm and management have no disciplinary information to disclose.

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

No Family Fortune Financial, LLC employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Family Fortune Financial, LLC does not have any affiliation with Broker-Dealers, however we recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when instructed. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services

- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab")

### **Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you fees on trades that it executes or that settle into your Schwab account. Schwab's fees applicable to our client accounts were negotiated based on our commitment to maintain a certain level of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall fees you pay are lower than they would be if we had not made the commitment Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the fees or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. Here is a more detailed description of Schwab's support services:

#### **Services that Benefit You.**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### **Services that May Not Directly Benefit You.**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### **Services that Generally Benefit Only Us.**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody

services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above - see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

### **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Because client accounts are invested almost exclusively in open-end mutual funds and ETFs, there is little opportunity for a conflict of interest between personal trades by Family Fortune Financial, LLC associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified trading conflicts of interest, Family Fortune Financial, LLC's goal is to place client interests first.

Consistent with the foregoing, Family Fortune Financial, LLC maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. Associated persons are prohibited from participating in IPOs but may invest in a private placement on the condition that he or she first submits a pre-clearance request and obtains the approval of the Chief Compliance Officer.

### **Trading Securities at/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days prior to the same security for clients.

### **Review of Accounts**

Family Fortune Financial, LLC will contact financial planning clients and offer to review the plan either annually, semiannually, or quarterly, depending on the complexity of the client's situation. This will help to ensure that the plan still reflects the client's financial goals and objectives, and give the firm the opportunity to amend the plan to accommodate any changes in the client's circumstances (retirement, marriage, disability, etc.). The service is optional, and the client is not obligated to accept. Since the original advisory contract signed by the client is valid for one year only, the client electing an annual review shall execute a new advisory contract.

Monitored assets will be reviewed quarterly. Reports are written and may include a comparison of asset allocation to target model(s), research reports on investments being used, rebalancing or trading recommendations, and comparison of performance vs. agreed upon benchmarks, among other options. Reporting frequency will be agreed upon with the client, but no more frequently than quarterly.

### **Client Referrals**

We do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.