

Q3 Advisors, LLC

Client Brochure

This Brochure provides information about the qualifications and business practices of Q3 Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (800)676-0703 or via email at craig.wear@Q3Adv.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.

Q3 Advisors, LLC, is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Q3 Advisors, LLC, is also available on the SEC's Web site at www.adviserinfo.sec.gov.

Q3 Advisors, LLC. SEC number is: 801-107951

The firm's CRD number is: 284220

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Knoxville, TN 37092

(800) 676-0703

www.Q3Adv.com

www.Active401k.com

www.My401kInvesting.com

www.craigwear.com

www.7taxtraps.com

March 26, 2019

ITEM 2: MATERIAL CHANGES

On an ongoing basis, this item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. Q3 Advisors, LLC (“Q3 Advisors” or “Firm”) will also reference materials changes since the last update on May 7, 2018.

In March of 2019, Q3 Advisors registered the Firm with the state of Tennessee and moved its principal place of business to 122 South Gay Street, #205, Knoxville, Tennessee 37902. The Firm’s new mailing address is 107 Rainbow Drive, #742, Livingston, Texas, 77399.

In March of 2019, Q3 Advisors began doing business under an assumed name, Craig G. Wear to provide non-investment education services related to retirement and individual tax planning, including publications in print form or by web to teach individuals on retirement strategies and tax efficiencies. Q3 Advisors also provides personal tax consulting services to individuals and high net worth individuals in accordance with a financial consulting agreement. This service is a flat fee financial consulting engagement that includes a phone consultation and written summary of recommendations.

In October of 2018, Craig Wear, Managing Member of Q3 Advisors, formed Reditus Advisors, LLC. Reditus Advisors, LLC is an insurance agency pending a license in the state of Texas. Reditus will not solicit clients of Q3 Advisors.

Further, Q3 Advisors will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. As this time, there are no material changes to be disclosed under this item.

Currently, Q3 Advisors’ Brochure may be requested by contacting Craig Wear, CCO, by phone at (800) 676-0703 or via email at craig.wear@Q3Adv.com.

Additional information about Q3 Advisors is also available via the SEC’s Web site at www.adviserinfo.sec.gov. The SEC’s Web site also provides information about any persons affiliated with Q3 Advisors who are registered, or are required to be registered, as investment adviser representatives of Q3 Advisors.

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* The SEC requires all investment advisers to organize their disclosure documents according to specific categories listed above, some of which may not pertain to Q3 Advisors' business. When a required category is not relevant to our business, we will state that it is not applicable.

ITEM 4: ADVISORY BUSINESS

A. Firm Description

Q3 Advisors was formed May 2016 as a limited liability company organized pursuant to the laws of the State of Texas and most recently registered to do business with the State of Tennessee. In March of 2019, Q3 Advisors began doing business as Craig G. Wear to provide education and financial consulting services. Q3 Advisors is 100% owned by Craig Wear, who serves as Managing Member.

B. Types of Advisory Services

Investment Advisory Services

Q3 Advisors provides active management, on a nondiscretionary basis to all types of clients seeking such advice, including but not limited to non-retirement account holders and participants in retirement plans and accounts, such as 401k plans, IRA's, SEP Plans, 403b, 457, Keogh, profit sharing and other types of retirement accounts. This service is termed "Active 401k" and is software driven based upon proprietary algorithms purchased from third parties or developed and owned by Q3 Advisors. Q3 Advisors provides investment advice exclusively through Active 401k.

This service will assist clients who desire initial and ongoing assistance, recommendations and alerts in designing and managing a diversified portfolio and making adjustments for changing conditions. Active 401k includes investment monitoring, adviser alerts, and dynamic asset allocation and other signals from computer-based models for all types of clients including non-retirement accounts, individual retirement accounts and retirement plan participants that wish to manage their own investments in those accounts but want assistance with ongoing investment decisions. Client receives verbal, electronic, or written recommendations regarding investment allocations and client decides whether to follow recommendations. This service is only offered through other financial professionals, including registered investment advisers (collectively and individually the "Other Adviser"). Other Advisers offer a variety of investment advisory programs and services that include separate account portfolio management programs, asset allocation programs, and financial planning services. Other Advisers may recommend and offer subscriptions to Q3 Advisors services to its individual clients based on clients' financial needs.

Q3 Advisors will initially have each client complete a survey designed to obtain his or her risk tolerance and other relevant information in an effort to assess client's investment needs. Once the client's risk profile is determined through the analytical tools, asset allocation models are recommended that are customized based upon the investment alternatives available within the client's plan or account. The client will then be responsible for deciding whether to act on the recommendation. On an ongoing basis, the client will continue to receive recommended

allocations, no less than quarterly, as market conditions change. Recommended investments will be limited to investment products offered within the individual plans or accounts as determined by Q3 Advisors. See Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss for further detail on Q3 Advisor's selection process of investment products.

Q3 Advisors may also enter into relationships with platform providers who may refer Other Advisers to Q3 Advisors. Platform providers do not solicit or refer clients to Q3 Advisors. Q3 Advisors may pay a portion of the fees paid by the Other Adviser to the platform provider who introduced the Other Adviser to Q3 Advisors.

Education and Consulting Services

In addition to investment advisory services, Q3 Advisors, doing business as Craig G. Wear, offers education and consulting services. These services involve non-investment related publications in print form or by web to help educate individuals on retirement strategies and tax efficiencies. Q3 Advisors may discuss general financial concepts in connection with the topic of tax savings applicable to certain retirement vehicles. For further details on educational services offered, contact Craig Wear, CCO, by phone at (800) 676-0703 or via email at craig.wear@Q3Adv.com.

In conjunction with the education services, clients may engage Q3 Advisors for personal tax consulting services in accordance with a financial consulting agreement. This service enables clients to access Craig Wear for the purpose of obtaining further explanations of subject matter covered in the aforementioned publications. Q3 Advisors will utilize the foundation provided in the general education services and tailor it to a client based on an analysis of factors, including but not limited to, the client's annual income, net worth, proposed retirement date, tax status, and objectives. Such services do not include recommendations concerning the purchase or sale of individual securities or particular industry sectors. Q3 Advisors will analyze the client's information in preparation of a one-hour phone consultation. Following the consultation, Q3 Advisors will prepare a written summary of recommendations along with a thirty minute follow up phone consultation on how to implement those recommendations.

Q3 Advisors does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. To the extent requested by a client, Q3 Advisors may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.).

Q3 Advisors may also refer clients or prospective clients to Other Advisers from its adviser network for specific investment recommendations and/or implementation purposes. Q3 Advisors may be deemed to be engaged in solicitation activities on behalf of such Other Adviser, by referring clients or prospective clients seeking advice about their particular circumstances or pursuing a particular investment strategy to such Other Adviser. The client or prospective client

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is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Q3 Advisors.

C. Client Tailored Services and Client Imposed Restrictions

For Active 401k, each recommendation is tailored to the client based upon risk profile, objectives and other information provided via the analytical tools. The Firm cannot accept restrictions on investments in client accounts. The ultimate responsibility for effecting the recommendations lies with the client and it is the client's responsibility to not invest in any products they do not wish to.

D. Wrap Fee Programs

Q3 Advisors does not sponsor or manage a wrap fee program.

E. Amount of Assets Under Management

Q3 Advisors does not have any client accounts under direct supervision or management.

ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES

A. Description of Compensation

The Other Adviser executes an Advisor Selling Agreement ("Advisor Agreement") appointing the Other Adviser to offer the Active 401k to its clients. In turn, the Active 401k is made available to the client by executing a service agreement, which sets forth the rights and obligations of Q3 Advisors and client.

Other Advisers pay a fixed subscription fee and a participant fee on behalf of each client. Subscription fees are based on access to technology and are \$325.00 per month or \$2,900 annually, paid in advance. Participant fees are based on the Active 401k service provided to clients and are \$2.00 per client, paid monthly in arrears on the first day of the calendar month. The fees and mode of payment are negotiable and may be waived by Q3 Advisors, at the sole discretion of Q3 Advisors. Fees are paid by Other Advisers directly to Q3 Advisors as specified in the Advisor Agreement.

Similar advisory services may be available from other investment advisers and the fees may be higher or lower than fees charged by those investment advisers for similar services. Other Advisers previously contracted with Q3 Advisors may be paying a different fee for the service.

Q3 Advisors is not involved in the fee selection chosen by Other Advisers and has no control over the amount Other Advisers charge clients. Other Advisers may bill the clients directly for

their cost of the service and this may be more or less than the Other Advisers' fees paid to Q3 Advisors. Clients should understand that any cost to them may differ from one adviser to another and may be more than the cost of purchasing the same services separately or similar services elsewhere. Clients may also bear certain charges imposed by third parties other than Q3 Advisors in connection with investments made through their accounts or plans. Clients should contact their advisers, plan administrators, custodians or brokerage firms for further information on fees and expenses. For further details on Other Adviser's description of fees, clients are encouraged to review their adviser's Form ADV Part 2 Disclosure Brochures, as provided by Q3 Advisors.

B. Payment of Fees

Q3 Advisors offers various fixed rate packages to Other Advisers to utilize the program on behalf of clients. Fees are paid by each Other Adviser, through a third-party payment processor. Clients have the right to terminate the service agreement without penalty within five days after entering into the service agreement, and upon 30 days advance written notice thereafter. The Adviser Agreement can be terminated by the Other Adviser upon 30 days' notice. No refund for partial month fees will be issued to the Other Adviser. Subscriptions Fees paid by the Other Adviser to Q3 Advisors are non-refundable and payable in advance based on the specified period in the Adviser Agreement. Participant Fees will not be pro-rated for client services initiated or terminated during a calendar month. Participants Fees will be charged through the end of the calendar month of the effective date of termination.

C. Other Fees

The aforementioned Fees are for Q3 Advisors services only. All fees paid to Q3 Advisors for advisory services are separate from the fees and expenses charged to clients by the investments in the clients account. A complete explanation of these expenses is contained in each investment's prospectus. No portion of such fees are payable to Q3 Advisors. Clients are encouraged to read each prospectus carefully.

D. Prepayment of Fees

Fees are paid directly by the Other Adviser to Q3 Advisors. Fees are not collected from clients for services to be performed more than six months in advance and in amounts more than \$1200.00.

E. Other Compensation

Q3 Advisors may charge platform providers an upfront, non-refundable flat fee to begin referring Other Advisers to Q3 Advisors. This fee is negotiable and can be waived at the discretion of Q3 Advisors.

Q3 Advisors receives an upfront flat fee for its educational services and tax consulting services. The fee for tax consulting services ranges from \$500 to \$2,500. The ultimate fee charged to the client is based on the scope and complexity of the engagement. Q3 Advisors' fees for these services are generally not negotiable.

Neither the Other Adviser nor its supervised persons accept any compensation/commission for the recommendation of securities or non-securities products including asset-based sales charges or service fees from the sale of mutual funds or insurance products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Q3 Advisors does not charge any performance-based fees or fees that are based on a share of capital gains on or capital appreciation of the assets of a client.

ITEM 7: TYPES OF CLIENTS

Q3 Advisors provides allocation recommendations to individuals and high net worth individuals.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Q3 Advisors uses mathematical based models and data research to monitor changing conditions and risk levels in the financial markets. Multiple indicators and methods are used to reduce risk of reliance on a single indicator, system or method. Q3 Advisors' investment information may come from one or more providers or market signal services.

Q3 Advisors core, flagship algorithms are designed, managed and overseen by a third-party vendor to assist in managing the Active 401k platform. The third-party vendor maintains control over the development and management of the algorithms. The algorithms are comprised of two elements: trend detection to determine market exposure, and momentum/relative strength to determine portfolio elements. Both elements are continuously monitored by the third-party vendor. Changes to the algorithms are only contemplated when results exceed ranges of probability. Changes are rare as the algorithms are continuously guarded against over-interpretation of short-term results that are almost always within the variability of returns that are statistically probable. However, the third-party vendor closely scrutinizes all academic publications on long-term viability of trend and momentum "factors" as it relates to investments. Q3 Advisors conducts monthly testing of its software and due diligence of the third-party vendor.

The algorithms are based on the investment factor called “momentum” which has been studied and validated by academics for over twenty-five years. Momentum has been found to exist in almost all asset classes. Specific portfolio selections are made by the application of absolute Momentum, and the determination of trend is made by the application of relative Momentum (frequently called “relative strength”).

When combined with the client inputs via the client survey, and the assumptions built into the algorithms, the Firm’s software generates recommendations. The algorithms are the sole basis for the advice provided in the Active 401k recommendations provided to clients. Therefore, clients should frequently review their account and maintain current information. Clients are advised and agree to log into their Q3 Advisors account and update their client profile information whenever there is a change to their financial circumstances or investment goals to obtain an updated allocation recommendation based on new information.

B. Material Risks

Clients should be aware that investing in securities involves risk of loss that they should be prepared to bear. Q3 Advisors does not promise or guarantee profits. Q3 Advisors’ analytic programs may call for frequent allocations which may increase a client’s transaction or other fees at the sponsor level. While Q3 Advisors’ models are believed to be accurate and effective, they cannot accurately predict all market moves and thus may lead or lag movements in the markets resulting in underperformance versus an unmanaged index or other market benchmark.

Q3 Advisors relies on available information and/or information provided by the client in connection with investment products in client accounts. Q3 Advisors may not be able to source each investment product available to the client. Recommendations will be based on a reasonable proxy when Q3 Advisors is unable to source a specific investment product. Proxy investments will be evaluated and chosen within the same asset class and sector but may not maintain the same portfolio holdings or performance as actual investment products available to the client. Proxy investments may outperform or underperform actual investment products and may impact recommendations made by Q3 Advisors. Further, Q3 Advisors may only select one investment product per asset class, which selection may be based on sourcing availability or performance. The selected investment products may outperform or underperform those investment products not chosen by Q3 Advisors. This may also impact the accuracy of recommendations made by Q3 Advisors.

Algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. A third party may modify periodically the algorithm, or a computer system’s code or underlying assumptions, and these changes may have unintended consequences. Clients should be aware that Q3 Advisors relies on a third party’s technology interface to implement Active 401k and Q3 Advisors’ clients

are subject to the features and limitations of their technology interface. There are also risks inherent in this methodology that momentum does underperform for periods of time relative to other methods, and that momentum could stop working altogether. For example, risks common to “tactical allocation” strategies exist in the potential for whipsaws and to be underinvested during swift market recoveries. The strategy adjusts its market exposure according to trend analysis and portfolio selections on the basis of candidate momentum.

C. Certain Risk Factors

All investments carry some amount of risk. Q3 Advisors only advises on the investments offered by the plan sponsors or available account parameters. The investments offered by these plans or accounts may be subject to the following principal investment risks:

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio’s investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Debt Securities Risks – The issuer of a debt security may fail to pay interest of principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio’s returns.

Emerging-Markets Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Leverage Risk – The risk that certain investments may utilize leverage, causing the investment to be more volatile than if it had not been leveraged.

Leveraged/Inverse ETF Risk- Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Inverse ETFs (also called “short” funds) seek to deliver the opposite of the performance of the index or benchmark they track. Like traditional ETFs, some leveraged and inverse ETFs track broad indices, some are sector-specific, and others are linked to commodities, currencies, or some other benchmark. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward moving markets. Leveraged inverse ETFs (also known as “ultra-short” funds) seek to achieve a return that is a multiple of the inverse performance of the underlying index. An inverse ETF that tracks a particular index, for example, seeks to deliver the inverse of the performance of that index, while a 2x (two times) leveraged inverse ETF seeks to deliver double the opposite of that index’s performance. To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies through the use of swaps, futures contracts, and other derivative instruments. Most leveraged and inverse ETFs “reset” daily, meaning that they are designed to achieve their stated objectives on a daily basis. Their performance over longer periods of time — over weeks or months or years — can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect can be magnified in volatile markets.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage- and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Real Estate Risk – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Q3 Advisors or the integrity of Q3 Advisors' management.

A. Criminal or Civil Action

Neither Q3 Advisors nor any of its covered persons has been the subject of any criminal or civil action that would be material to the evaluation of Q3 Advisors or the integrity of its management.

B. Administrative Proceedings

Neither Q3 Advisors, nor any of its employees, has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

C. Self-Regulatory Organization

Neither Q3 Advisors, nor any of our employees, has had any proceedings before any self-regulatory organizations.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

Q3 Advisors is not registered as a broker/dealer, and none of its Advisory Representatives are registered representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser

Neither Q3 Advisors nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser.

C. Registration Relationships Material to This Advisory Business and Conflicts of Interest

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In October 2018, Craig Wear formed Reditus Advisors, LLC. Reditus Advisors, LLC is an insurance agency involved in the sale of fixed insurance products and is currently pending a license in the state of Texas. Craig Wear personally maintains active state licenses to sell insurance within certain states. Craig Wear does not solicit prospective or existing client of Q3 Advisors to purchase insurance products. However, Reditus Advisors, LLC may receive compensation from the direct sale of fixed insurance products and may share in commissions from the sales of fixed insurance products of other financial professionals. These activities are estimated to utilize less than one hour of Craig Wear's time each week. The Firm will make the necessary disclosures to each client of any potential conflict of interests that may arise from this entity. Craig Wear's recommendation that a client engage his services in his separate individual capacity as an individual agent presents a conflict of interest, as the receipt of compensation for such services may provide an incentive to recommend such services based on compensation to be received, rather than on a particular client's need. No client is under any obligation to utilize his services or any other affiliated professionals. Clients are reminded that they may implement Q3's recommendations through other non-affiliated professionals. Craig Wear, CCO of Q3 Advisors, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

D. Selection of Other Advisors of Managers and How This Adviser is Compensated for Those Selections

Q3 Advisors may refer clients or prospective clients to Other Advisers from its adviser network. Q3 Advisors may receive compensation for such referrals based upon assets under management as part of a solicitation agreement. Q3 Advisors currently has no arrangements with unaffiliated third parties to receive referral fees. A client or prospective client will be advised of any such arrangement, including receipt of fees.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Q3 Advisors has adopted a Code of Ethics to ensure that securities transactions by Q3 Advisors employees are consistent with Q3 Advisors' fiduciary duty to its clients, and to ensure compliance with legal requirements and Q3 Advisors' standards of business conduct. Q3 Advisors requires transaction confirmation and quarterly reporting. A written copy of Q3 Advisors' Code of Ethics is available upon request.

Q3 Advisors will maintain a record of required personal securities transactions. All applicable rules and regulations will be strictly enforced. Q3 Advisors will not permit insider trading.

B. Recommendations Involving Material Financial Interests

To prevent conflicts of interest, all employees of Q3 Advisors must comply with Q3 Advisors' Written Supervisory Procedures and Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

C. Investing in the Same Securities as Clients

Due to the unique nature of Q3 Advisors' services, specifically the fact that all advisory services are offered on a non-discretionary basis, the Firm is unable to ensure its employees will never trade ahead of any clients' recommendations from Q3 Advisors because it is unable to predict if and when the clients may actually trade. Further, the Firm is unable to track all possible investments that are offered in the myriad of accounts and retirement plans of its clients. As a result, the Firm does not prohibit its representatives from trading their own accounts while recommendations are outstanding with its clients.

D. Trading the Same Securities as Clients' Securities

Q3 Advisors, and/or their officers, directors or employees may inadvertently purchase for themselves similar or different securities as are purchased or recommended for investment advisory clients of Q3 Advisors and that different security transactions may be effected or recommended for different investment advisory clients of Q3 Advisors.

ITEM 12: BROKERAGE PRACTICES

Selecting Brokerage Firms

Q3 Advisors will not maintain discretion over Investment Management accounts and will not have discretionary authority to withdraw funds or take custody of clients' funds or securities. Q3 Advisors will never recommend or select broker/dealers or custodians for its clients. All clients will have existing relationships as an account holder or through their qualified plans and Q3 Advisors will simply work with the existing entities in place.

The Representatives and Associated Persons of Q3 Advisors realize that the sharing of non-public personal information is an act of trust and take this issue very seriously. All information provided by clients to Q3 Advisors and information and advice furnished by the Firm to clients shall be treated as confidential and shall not be disclosed to non-affiliated third parties, except as permitted by clients with written authorization, or as required by any rule, regulation or law of any regulatory or self-regulatory organization of which Q3 Advisors or its Associated Persons may be subject. It is the policy of the Firm to restrict access to records to only those associates who need to have such information in order to deliver the investment advisory or administrative services of the Firm. The Firm secures its offices during non-business hours.

1. Research and Other Soft Dollar Benefits

Q3 Advisors does not receive research or soft dollars as it has not entered into any custodial or brokerage relationships.

2. Brokerage for Client referrals

Q3 Advisors does not recommend brokers to clients.

3. Directed Brokerage

Q3 Advisors does not direct brokerage as its clients already have existing relationships for their accounts or qualified plan assets.

B. Aggregation of Securities for Multiple Client Accounts

Due to the individualized nature of its relationship with clients, Q3 Advisors is unable to aggregate trades for its clients.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Due to the nature of the service, Q3 Advisors does not manually review client accounts as it normally will not have access to such accounts. The monthly review is electronic and Q3 Advisors will conduct testing of the software and recommendations to the clients.

B. Factors that Will Trigger Non-Periodic Reviews

Reviews may occur if market conditions change and Q3 Advisors feels it needs to review accounts.

C. Reports Provided to Clients

Clients receive standard account statements from their brokerage firms or plan sponsors. Q3 Advisors does not send reports.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Third Party Compensation

Q3 Advisors does not provide compensation either directly or indirectly to any non-supervised person for referrals of clients. Additionally, the Firm does not receive any economic benefits from any non-clients for providing investment advice to Q3 Advisors' clients.

B. Referrals

Other than the services noted above, Q3 Advisors may provide referrals to Other Advisers and may receive compensation from the Other Advisers in accordance with Rule 206(4)-3. Q3 Advisors maintain referral arrangements with unaffiliated platform providers who introduce Other Advisers to Q3 Advisors. Platform partners do not refer clients to Q3 Advisors and do not have any authority to accept any Other Advisers or clients on behalf of Q3 Advisors. Q3 Advisors does not have any responsibility to accept a prospective or referred Other Adviser to the Platform.

Q3 Advisors will pay a referral fee to a platform provider, subject to the terms of the platform provider agreement, comprised of the gross revenue of monthly or annual subscription fee and monthly participant fees paid by the referred Other Adviser. The Other Adviser may pay less to obtain Q3 Advisors services than other advisers not referred by a Platform Partner. Advisor will not pay higher fees or additional compensation than those of an Other Adviser not referred by a Platform Partner. The referral fee structure for a platform partner is based on the number of referred Other Advisers and participants. Referral fees range from 10%-20% of Subscription Fees and Participant Fees, respectively. Platform partners may elect to waive referral fees for a referred Other Adviser in accordance with the platform provider agreement.

ITEM 15: CUSTODY

Q3 Advisors does not maintain customer funds or securities. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets. Q3 Advisors urges its clients to carefully review such statements and compare such official custodial records to reports that it may provide.

ITEM 16: INVESTMENT DISCRETION

Q3 Advisors never receives discretionary authority from the clients. All accounts are non-discretionary in nature.

ITEM 17: VOTING CLIENT SECURITIES

Q3 Advisors shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Accounts.

ITEM 18: FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about their financial condition. Q3 Advisors is well capitalized, has

no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

A. Balance Sheet

Q3 Advisors does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, Q3 Advisors is not required to include a balance sheet with this brochure.

B. Financial Conditions

Neither Q3 Advisors nor its management have any financial conditions that are likely to reasonably impair the Adviser's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions

Q3 Advisors has not been the subject of a bankruptcy petition in the last ten years.

Professional Designations

Certain Q3 Advisors IARs may be Certified Financial Planners (“CFP”). A description of this professional designation follows.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and to attain a bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, include case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning

services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.