

Wrap Fee Program Brochure

Item 1 – Cover Page

Flagstone Financial Management, LLC

8700 Executive Woods Drive, Suite 500
Lincoln, NE 68512
402-413-0440

Date of Disclosure Brochure: March 22, 2019

This wrap fee program brochure provides information about the qualifications and business practices of Flagstone Financial Management. If you have any questions about the contents of this brochure, please contact us at 402-413-0440. 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 Flagstone Financial Management is also available on the SEC's website at www.adviserinfo.sec.gov. Flagstone Financial Management's CRD number is: 285484.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Flagstone Financial Management has not yet filed an annual updating amendment to this Wrap Fee Program Brochure. Therefore, there are no material changes to this brochure to report.

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Item 4 – Advisory Business

Description of Advisory Services

Flagstone Financial Management may direct you to the Core Lifestyle Investment Management Basics Program (“CLIMB Program”) where RobustWealth, an SEC registered investment adviser, serves as a subadvisor to Flagstone Financial Management. The CLIMB Program will be used to provide a wrap fee program option for clients of the firm who wish to use a wrap program and desire a more digital experience. Flagstone Financial Management will create customized model portfolios for use in CLIMB accounts. Flagstone Financial Management will place you in the model(s) best suited to your specific goals and objectives. Models will be rebalanced according to the RobustWealth rebalancing system and consistent with your goals and objectives. Your accounts will be held in custody at Apex Clearing Corporation (“Apex”), as a registered broker/dealer, member FINRA/SIPC. Apex provides clearing, custody and other brokerage services for the accounts. Therefore, you are required to establish a brokerage account(s) through Apex and this will be facilitated through the RobustWealth Platform. Separate accounts are maintained for you, and you retain all rights of ownership of your accounts (e. g., the right to withdraw securities or cash, exercise proxy voting, and receive transaction confirmations).

Through the CLIMB Program, we provide investment management services, including providing continuous investment advice to, and making investments for you, based on your individual needs. Through this service, we offer a model-based investment program, although CLIMB is not intended to be as customizable as other programs offered by the firm. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. Your suitability information should be updated regularly, but at a minimum, annually.

Apex will prepare and transmit to you monthly and/or quarterly statements of account. Additionally, you will receive a confirmation of each transaction. Your statements and confirmations will be delivered electronically to your vault through the RobustWealth portal.

Our standard fee for CLIMB is based on the market value of the assets under management in the CLIMB Program and are calculated as follows:

Total Assets	Annual Advisory Fee
\$1- \$500,000	1.25%
\$500,001 to \$1,000,000	.75%
\$1,000,001 to \$3,000,000	.60%
\$3,000,001 to \$5,000,000	.50%
\$5,000,001 to \$10,000,000	.40%
\$10,000,001+	.30%

**Clients whose AUM exceeds \$400,000
will receive financial planning at no additional cost.*

CLIMB Program fees are billed quarterly in advance through a direct debit of your account. Flagstone Financial Management will charge the fee and RobustWealth will receive its portion of the fees from Flagstone Financial Management. The fees shared are negotiable and will not exceed any limit imposed

by any regulatory agency.

The advisory fee is a blended fee calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the account value as of the last day of the previous quarter. For example, a client in the CLIMB Program with assets under management of \$100,000 would have their fee calculated as follows: $(\$100,000 \times 1.25\%) = \$1,250$ annual fee. A client with assets under management of \$700,000 would have their fee calculated as follows: $(\$500,000 \times 1.25\% = \$6,250) + (\$200,000 \times .75\% = \$1,500) = \$7,750$ total annual fee or \$1,937.50 for that quarter.

The fee is a wrap fee. You will not pay separate trade charges for accounts in the program.

You may incur fees for services performed by Apex Clearing. These can include, but are not limited to, services such as: preparation and delivery of paper statements and confirmations, wire transfers and other banking related transactions, outgoing account transfers and account closing fees. These fees are deducted directly from your account by Apex, paid to Apex and our management fees are separate and distinct from these fees.

All fees paid to Flagstone Financial Management for advisory services are also separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

Portfolio management fees are withdrawn directly from the client's accounts with client's written authorization.

Fees are paid in advance. The advisory fee is calculated using the value of the assets on the last business day of the prior billing period. Refunds for any fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via return deposit back into the client's account. For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Clients may terminate the agreement without penalty, for full refund of Flagstone Financial Management's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

Additional Fees

Flagstone Financial Management will wrap third party fees (i.e. brokerage fees, transaction fees, etc.) for wrap fee portfolio management accounts. Flagstone Financial Management will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that Flagstone Financial Management has an incentive to limit trading activities for those accounts since the

firm absorbs those transaction costs. Flagstone Financial Management has mitigated this conflict by entering an agreement with RobustWealth and Apex to pay a flat fee to cover all trading costs regardless of trading volume or activity levels.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with “step out” transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Compensation of Client Participation

Neither Flagstone Financial Management, nor any representatives of Flagstone Financial Management receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, Flagstone Financial Management may have a financial incentive to recommend the wrap fee program to clients.

Item 5 – Types of Clients

Flagstone Financial Management generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Foundations and endowments
- Banks or thrift institutions
- Pension and profit-sharing plans
- Trusts, estates, or other charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with Flagstone Financial Management specifying the particular advisory services in order to establish a client arrangement with Flagstone Financial Management.

Minimum Investment Amounts Required

We do not impose a minimum investment amount for the CLIMB Program. Smaller and less complex accounts are typically appropriate for the CLIMB Program.

Item 6 – Portfolio Manager Selection and Evaluation

Selecting/Reviewing Portfolio Managers

Flagstone Financial Management will not select outside portfolio managers for management of this wrap fee program. Flagstone Financial Management will be the sole portfolio manager for this wrap fee program.

Flagstone Financial Management reviews the performance information compiled by RobustWealth/Apex to determine and verify its accuracy and compliance with presentation standards.

Related Persons

Flagstone Financial Management and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses Flagstone Financial Management's management of the wrap fee program. However, Flagstone Financial Management addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

Advisory Business

Flagstone Financial Management offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Flagstone Financial Management utilizes a questionnaire to document for each client, the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Determine investment strategy
- Asset allocation
- Assessment of risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Flagstone Financial Management reviews and evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. Flagstone Financial Management will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that Flagstone Financial Management has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, Flagstone Financial Management will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser. Flagstone Financial Management has further mitigated this conflict by entering an agreement with RobustWealth and Apex to pay a flat fee to cover all trading costs regardless of trading volume or activity levels.

Services Limited to Specific Types of Investments

Flagstone Financial Management provides investment advice on the following types of investments:

- Mutual Funds
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- U.S. Government Securities
- Corporate Bonds

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. (Please refer to “Methods of Analysis and Investment Strategies” for more information.)

Client Tailored Services and Client Imposed Restrictions

Flagstone Financial Management offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients are permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Wrap Fee Programs

As discussed herein, Flagstone Financial Management sponsors and acts as portfolio manager for this wrap fee program. Flagstone Financial Management manages the investments in the wrap fee program, and will manage wrap fee accounts differently than non-wrap fee accounts in that we will use similar models but not allow as much customization as we do in our non-wrap accounts. We will use RobustWealth's software for account trading and rebalancing. The fees paid to the wrap account program will be given to Flagstone Financial Management as a management fee.

Amounts Under Management

As of December 31, 2018, our firm manages a total of \$144,969,846 assets under management. All assets are managed on a discretionary basis.

Performance-Based Fees and Side-By-Side Management

Flagstone Financial Management 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.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Methods of Analysis

Flagstone Financial Management's security analysis is based on a number of factors, including those derived from academic research and literature, commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis that clients may request. Flagstone Financial Management practices an evidence-based approach to investing. Flagstone Financial Management's focus is understanding the investment best practices and body of knowledge defined by the last 50-plus years of academic and practitioner research. This research is ongoing and will continue to inform the recommendations Flagstone Financial Management makes to its clients. Flagstone Financial Management's investment strategy guidance is not defined by what we “think” markets, the economy or interest rates are going to do. This approach to investing is typically referred to as “active management” and Flagstone Financial Management does not generally follow this framework (except under limited circumstances). Flagstone Financial Management has 6 core investment philosophies:

- **Markets Are Efficient** – The market's pricing power makes it difficult for investors to time or

outsmart other market participants through stock picking or market timing. In hindsight, there are mispriced securities from time to time, but it is very difficult to consistently know those mispriced securities on a forward-looking basis.

- **Cost Matters** – The overall costs an investor pays are an important consideration in developing a prudent investment plan. While costs aren't the only factor, we pay close attention to managing the overall costs of the investments we recommend for clients.
- **Diversify Globally** – It is very hard to predict which areas of the world markets will do better than other areas at any given time. Accordingly, we prefer to broadly diversify investments between multiple investment classes to even the investment ups and downs as much as possible and provide different asset classes among which we can rebalance your portfolio.
- **Markets Reward Discipline** – Study after study shows the typical investor is not wired to succeed in financial markets. There is an entire field of research in this area called Behavioral Finance. Investors tend to buy high and sell low due to allowing their emotions to drive their investing decisions. We work hard with our clients to avoid the behavioral traps that can lead us to make poor decisions. We do this by sticking with our core beliefs and following a distinct investment process that seeks to take emotion out of decision-making moments.
- **Optimism Triumphs** – There will always be reasons to be pessimistic about investing. If one looks back and focuses on all the scary issues that have confronted the financial markets from the beginning of time, we may all have money stashed under our mattress. Despite these negative aspects, historically the markets have continued to march forward in an inconsistent, but generally positive way. We believe an optimistic attitude towards the markets can provide a better investment experience than a pessimistic attitude.
- **Tax Efficiency** – Investing in tax efficient investments, following asset location principals where possible and according to the individual clients needs and priorities, and managing gains and losses in concert with other portfolio positions and the particular circumstances of each client can add significant value to clients over time.

Investment Strategies

Through the CLIMB Program, we provide investment management services, including providing continuous investment advice to, and making investments for you, based on your individual needs. Through this service, we offer a model-based investment program, although CLIMB is not intended to be as customizable as other programs offered by the firm. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives.

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

Material Risks Involved

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee,

or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- Exchange Traded Fund (ETF) and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Flagstone Financial Management and held by the account custodian or clearing firm.

These risks include the following:

- **You can lose more funds than you deposit in your margin account.**
- **The account custodian or clearing firm can force the sale of securities or other assets in your account.**
- **The account custodian or clearing firm can sell your securities or other assets without contacting you.**
- **You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.**
- **The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.**
- **The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.**
- **You are not entitled to an extension of time on a margin call.**

Voting Client Securities (Proxy Voting)

Flagstone Financial Management does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 7 – Client Information Provided to Portfolio Managers

Flagstone Financial Management provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives.

Item 8 – Client Contact with Portfolio Managers

Flagstone Financial Management’s representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

Item 9 – Additional Information

Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-Regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

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

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Flagstone Financial Management 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.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither Flagstone Financial Management nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Flagstone Financial Management does not select third-party investment advisers.

Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

Flagstone Financial Management 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. Flagstone Financial Management's Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

Flagstone Financial Management does not recommend that clients buy or sell any security in which Flagstone Financial Management or a related person has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Flagstone Financial Management may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Flagstone Financial Management 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. Flagstone Financial Management 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.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Flagstone Financial Management may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Flagstone Financial Management 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, Flagstone Financial Management will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews

Flagstone Financial Management recommends that clients have their financial situation reviewed and updated at least annually.

Our investment adviser representatives contact clients either via in-person meetings, web-conferencing, written correspondence (e-mail or regular mail) or telephone meetings at least annually to review the performance of client accounts. Asset allocation models and underlying assets are reviewed on a frequent basis but at a minimum, quarterly.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

The calendar is the main triggering factor for reviews, although client requests, a change in client circumstances or objectives, and unusual market activity can also trigger reviews.

Content and Frequency of Regular Reports Provided to Clients

Clients receive account statements directly from the qualified custodian of their account(s). Flagstone Financial Management may provide written performance and/or position reports to clients in addition to the statements and reports discussed above. Clients are strongly urged to compare all reports prepared by Flagstone Financial Management against the account statements received from the client's broker/dealer or qualified custodian.

Economic Benefits Provided by Third Parties for Advice Rendered to Clients

Flagstone Financial Management does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Flagstone Financial Management clients.

Compensation to Non – Advisory Personnel for Client Referrals

Flagstone Financial Management does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

Flagstone Financial Management neither requires nor solicits prepayment of more than \$1,200 six months or more in advance.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Flagstone Financial Management does not have any financial condition that would impair its ability to meet contractual commitments to clients.