



Form ADV Part 2A: *Firm Brochure*

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of Freedom Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (787) 792-3000. 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 Freedom Advisory, LLC is also available on the Internet at www.adviserinfo.sec.gov. You can view information on this website by searching for Freedom Advisory, LLC's name or by using the firm's CRD number: 147546.

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

Item 2 – Material Changes

Since our last annual amendment to this brochure filed in February 2023, we updated Item 5 and Item 7 to change the minimum required to establish an account with us from \$100,000 to \$250,000.

We also updated Item 10 of this brochure to disclose a new holding company controlled by our owner and managing partner, Eduardo J. Ramos.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes, as necessary.

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Item 4 – Advisory Business

A. Description of Advisory Firm

With offices in Florida and Puerto Rico, Freedom Advisory, LLC (“Advisor” or “we”) has been in business since August 2008. Our sole owner is Eduardo J. Ramos.

B. Description of Advisory Services Offered

We offer financial planning services and investment management services. The following are brief descriptions of our primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“client” or “you”) can review the services and description of fees more thoroughly.

Financial Planning Services

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, wealth transfer and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of written financial plans and consultations. Consultation services can be on topics of interest or concern to clients. We also offer specialized consultation services to pension plans. These services do not involve actively managing client accounts.

Investment Management Services

We offer investment management services providing clients with current portfolio evaluation, assessment of investment objectives and financial goals, asset allocation planning, Mutual Funds, ETF and Separate Managed Account, Manager research, selection, investment program implementation, rebalancing, portfolio monitoring, risk management, performance measurement evaluation on a continuous and on-going reviews over the managed accounts. This means that we continuously monitor a client’s account and makes trades in that account when necessary.

Recommendations of Third-Party Money Managers

In connection with our Investment Management Services, we can recommend the use of outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors to serve as Separate Account Managers. Third-party money managers are responsible for continuously monitoring client accounts and making trades client accounts when necessary.

Retirement Plan Services

We offer retirement plan services to retirement plan sponsors. We are available to provide services in the form of Investment Policy Statement Preparation, Non-Discretionary Investment Advice, Investment Selection Services, Investment Due Diligence Review, Investment Monitoring, and Default Investment Alternative Advice. The preceding services are considered 3(21) level fiduciary services under ERISA rules. We also offer non-ERISA fiduciary services in the form of Participant Education, Participant Enrollment, Qualified Plan Development, Due Diligence Review, Fiduciary File Set-up and Benchmarking.

Areas of Focus

We advise clients on formulating reasonable objectives and achieving attainable goals. The process includes risk profiling and capacity, creating an investment policy, asset allocation, investment line -up, tax efficiency, alternative investments, international financial markets, performance measurement and manager due diligence. Please see **Item 5, Fees and Compensation**, for additional information on our services.

Advice to Certain Types of Investments

We provide advice and manage the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial debt)
- Municipal securities
- Mutual fund shares
- United States government securities
- Option contracts on securities
- Interests in real estate partnerships investing in real estate and oil and gas interests
- Exchange traded funds

Although our advice and management are generally limited to the investment products listed above, we reserve the right to advise clients on any investment product that may fit their specific needs, desires or objectives. We construct each client's account holdings using mutual funds, exchange traded funds, bonds and equities to build diversified portfolios. 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 can modify our investment strategy to accommodate special situations like low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Freedom Advisory can recommend the allocation of a portion of a client's investment assets among one or more unaffiliated, independent investment managers ("Separate Account Manager") in accordance with the client's designated investment objectives. In such situations, the Separate Account Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. Freedom Advisory shall continue to render Investment Advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Freedom Advisory shall consider in recommending Separate Account Managers include the client's designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. Freedom maintains a methodical research and due diligence process to identify Separate Account Managers suitable for client investment and also maintains ongoing annual due diligence and review over the recommended firms. Before a client establishes an account with a Separate Account Manager, the client shall also receive the Separate Account Manager's written disclosure statement specifying its fees and services. Clients must also execute an agreement directly with the Separate Account Manager.

Where a Separate Account Manager acts as in a sub-advisor capacity to Freedom Advisory, the Separate Account Manager charges its own advisory fee which is deducted from the client's account at the customary billing intervals but does not separately pay a referral fee to Freedom Advisory. The funds placed with the Separate Account Manager are grouped together with the client's other assets managed directly by Freedom Advisory and are billed in accordance with the client's fee schedule. See Item 5 for more details.

We also provide an automated online platform -- called Freedom IP --powered by Charles Schwab that guides clients through the investment management process. The offering is provided to clients with a

minimum of \$5,000 in household assets to manage and less than \$100,000. As part of this service Freedom Advisory provides an initial financial planning concept meeting, access to money management tools and a digital platform for clients to monitor their performance. Clients complete an online personal risk assessment that has been created by Charles Schwab. The answers to the risk questions categorize clients into portfolio models that have been created by Freedom Advisory based on our stated investment philosophies. These diversified portfolios consist of low-cost exchange traded funds (ETFs). Charles Schwab's system performs automated rebalancing when portfolios drift above or below preset tolerance levels for the models that the client is in. Freedom Advisory employees cannot make individual trades on these accounts. Trading on automated accounts at Charles Schwab can be suspended at any time by Freedom Advisory during calamitous market situations (e.g., flash crash). Otherwise, trading can only be stopped when accounts are closed by submission of written request form to Charles Schwab by the client. Tax loss harvesting is offered only after an account reaches \$50,000.

In this automated offering, clients do not receive annual reviews or quarterly performance statements. Clients can, for an hourly fee, receive financial planning advice and other comprehensive planning services offered to non-automated clients.

Please refer to **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

Retirement Plan Rollover Recommendations

When Freedom Advisory provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Freedom Advisory is a **"fiduciary"** within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Freedom Advisory makes money creates conflicts with your interests, so Freedom Advisory operates under a special rule that requires Freedom Advisory to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Freedom Advisory must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the financial interests of Freedom Advisory ahead of you when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Freedom Advisory gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Freedom Advisory; and
- Give Client basic information about conflicts of interest.

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Freedom Advisory, please know that Freedom Advisory and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Freedom Advisory. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Freedom Advisory.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. we have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Freedom Advisory receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Freedom Advisory and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Freedom Advisory or our affiliated personnel.

C. Tailor Advisor Services to Individual Needs of Client and Client Imposed Restrictions

Our services are always provided based on the specific needs of the individual client. Clients are given the ability to impose restrictions on their accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with a client whose investment objectives are considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client accounts, we can manage in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model. Also, we develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models or a customized portfolio is always based on each client's individual investment goals, objectives and mandates.

D. Wrap Fee Programs

In traditional management programs, advisory services are provided for a fee, but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction services are provided for one fee. We do not act as a portfolio manager of or sponsor wrap fee programs.

E. Client Assets Under Management

The amount of client assets managed by us totaled \$554,310,927 as of December 31, 2023. \$548,968,694 is managed on a discretionary basis and \$5,342,233 is managed on a non-discretionary basis. Refer to Item 16 – Investment Discretion for more information.

Item 5 – Fees and Compensation

In addition to the information provided in **Item 4, Advisory Business**, this section provides details regarding our services along with descriptions of the fees and compensation arrangements.

A. Compensation

Financial Planning Services

We provide financial planning services that focus on your specific needs and concerns. These services can include giving advice on investment and non-investment related matters (e.g., tax and estate planning/gifting matters on a stand-alone basis).

Written Plan

The services provided by us typically focus on one or more of the following areas:

- **Retirement Planning:** The process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets. Future cash flows are estimated to determine if the retirement income goal will be achieved.
- **Tax Planning:** The goal of tax planning is to arrange your financial affairs so as to minimize your taxes. There are three basic ways to reduce your taxes, and each basic method might have several variations. You can reduce your income, increase your deductions, and take advantage of tax credits.
- **Investment Planning:** The goal of investment planning is to determine the investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. The process is all about strengths, weaknesses, opportunities and threats in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other tradeoffs encountered in the attempt to maximize return at a given appetite for risk.

Our investment advisor representatives (“representatives”) meet with client to gather information and documentation needed to perform an analysis and review of your situation as well as your objectives and goals. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet your needs. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you or your other professional consultants (i.e., attorney, accountant, etc.).

Our services do not include legal or tax advice. We urge you to work closely with your attorney, accountant or other professional consultants regarding your financial and personal situation. We also request that you notify us if there is ever a change in your financial situation or investment objectives so that we can review, evaluate and/or revise any prior recommendations made or services provided.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present a written plan that can be either comprehensive or modular (segmented), as you request. A comprehensive plan focuses on your overall financial situation and covers several of the areas previously noted, as needed by your specific situation. A modular (segmented) plan focuses only on one or more specific areas of concern to you. You should be aware that other important issues may not be taken into consideration when our representatives develop their analyses and recommendations. All of our recommendations are generic in nature and are not limited to any specific product or service offered by the financial services industry.

We charge a fixed fee for written plans that does not exceed \$7,500 and is charged as follows:

<u>Client Net Worth</u>	<u>Fixed Fee</u>
Less than \$3,000,000	\$2,500
\$3,000,000 to \$10,000,000	\$4,000
Greater than \$10,000,000	\$7,500

Fees are negotiable based on the complexity of your financial situation, the level and scope of the services provided, and experience and knowledge level of our representative providing the services. Fees are disclosed to you prior to any services being provided and are payable at the time the client agreement is signed.

Services terminate upon presentation of the written plan to you. However, either party can terminate services at any time by providing written notice to the other party. Termination is effective upon receiving the notice. If services are terminated within 5 business days of signing the client agreement, they are terminated without penalty. You are responsible for paying fees incurred for services completed prior to termination. We provide you with a prorated refund of any unearned financial planning fees, which is determined based on the percentage of work completed prior to receiving the termination notice.

Consultations

Consulting services focus on specific areas of concern or interest to you. Consultations can include, but are not limited to, the following:

- Strategic Investment Plans – Recommendations based on your age, long term views and risk/return characteristics.
- Asset Allocation – Determining an efficient asset mix with portfolio optimization that considers risk and return.
- Investment Policy Statements – Determining a statement of purpose, responsibility, goals and objectives, investment guidelines, standards of performance, review, and evaluation, communication and reporting.
- Customized Performance Benchmarks – Creating of custom benchmarks based on selected or multi asset mix.
- Performance Evaluations and Monitoring – Determining indices utilized, expected returns, volatility parameters and guidelines for rebalancing.

We charge an hourly fee of \$250 per hour for these services. However, the hourly fee is negotiable based on your financial situation, the level and scope of services provided and the experience and knowledge level of our representative providing the services. Fees are due upon completion of the consultation and receiving our detailed billing statement.

As a part of our Investment Management and Consultation Services, we also offer aggregating data services, which allows you to gather all of your assets in one location and can serve as a vault for your investment portfolios held at different custodians. You also receive account reconciliation, performance analysis and consolidated reporting. By using our ByAllAccounts data aggregation solution there is no additional fee for this service to existing customers with account balances managed by Freedom Advisory over \$1 million, while other consulting clients are charged a minimum yearly fee of \$1,000 for the reporting services. To utilize this data aggregating service, you must provide us with information and documentation to be downloaded and/or input into the system. We do not accept or create any authorization or access that would give us custody of your funds and/or securities.

Services terminate upon completion of the consultations. However, either party can terminate services at any time by providing written notice to the other party. Termination is effective upon receiving the notice. If services are terminated within 5 business days of signing the client agreement, they are terminated

without penalty. You are responsible for paying fees incurred for services completed prior to termination and fees are due upon receiving our billing statement.

Fee Offset

You can elect to implement our advice through one or more of the other advisory programs disclosed in this Disclosure Brochure. In this case, our representatives will typically waive or reduce the amount of the advisory fee as a result of earning additional ongoing fees. Any reduction is at their discretion and is disclosed to you prior to implementing any transactions or contracting for additional services. Our representatives consider each client's commitment, conviction, materiality of assets, future asset transfers and the complexity of the plan.

Investment Management Services

We offer investment management services, providing clients with current portfolio evaluation, assessment of investment objectives and financial goals, asset allocation planning, Funds and Separate Account Manager research and selection, program implementation and rebalancing, portfolio monitoring and risk management, performance measurement with continuous investment advice and/or making investments for you based on your individual needs, goals and objectives. We offer a customized and individualized investment program, and our representatives meet with you to determine your investment objectives, risk tolerances and appropriate asset mixes.

We recommend that your assets be maintained in a brokerage account with Charles Schwab & Co., Inc. (Schwab) or BNY Mellon Pershing (Pershing). Both are registered broker/dealers and members of SIPC. See **Item 12, Brokerage Practices**, for additional discussion on our recommendation and use of Schwab and Pershing. However, you are free to select any account custodian you wish. We assist you in establishing a managed account through Schwab, Pershing or another qualified custodian that you select. The qualified account custodian maintains custody of your funds and securities. We do not act as custodian and do not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization. The minimum required to establish and maintain a managed account is \$250,000.

Recommendation of Separate Account Managers

In some instances, we establish relationships with other unaffiliated investment and/or money managers ("Separate Account Managers") through which the Separate Account Managers provides portfolio management services to all or a portion of your assets maintained in your managed account. We perform due diligence when selecting the Separate Account Managers based on investment objectives, management style, performance, reputation, financial strength, reporting, pricing.

Any Separate Account Managers recommended by us shall be registered or exempt from registration in your home state. The recommendation of a Separate Account Manager shall be made on a non-discretionary basis. The decision to use a Separate Account Manager is always based on each client's individual needs. You will enter into an agreement directly with the unaffiliated Separate Account Managers(s). A complete description of the third-party investment advisor's services acting as Separate Account Manager, fee schedules and account minimums will be disclosed in the third-party investment advisor's Form ADV Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and account is established with the Separate Account Managers.

We are always available to answer questions you have regarding the portion of your account managed by the Separate Account Managers and act as the communication conduit between you and the Separate Account Managers. Separate Account Managers will generally take discretionary authority to determine the securities to be purchased and sold for your accounts.

Depending on the needs of the client, we have the ability to select Separate Account Managers through a Tamarac Inc. sponsored platform. Tamarac offers a web-based managed account platform through its wholly owned affiliate and registered investment adviser, Envestnet Asset Management, Inc. The platform connects directly with the client's account at Charles Schwab & Company, Inc. allowing us to allocate the client's assets among Separate Account Managers available on the Envestnet platform.

We are granted trading authorization on your accounts and provide management services on a discretionary basis only. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before making any transactions. You must provide written authorization to exercise this discretionary authority and can place reasonable restrictions and limitations on the authority and portfolio holdings. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

Fees for management services are based on a percentage of assets under management and range from 0.25% to 1.25% per year. There is a minimum annual fee of \$1,500. Fees are charged pursuant to the following schedule:

	Portfolio Value			Fee at this Tier	Total Fee at Maximum Tier
First	\$	-	\$ 1,000,000	1.25%	1.25%
Next	\$	1,000,000	\$ 5,000,000	1.00%	1.05%
Next	\$	5,000,000	\$ 10,000,000	0.60%	0.83%
Next	\$	10,000,000	\$ 25,000,000	0.40%	0.57%
Next	\$	25,000,000	Above	0.25%	0.48%

Fees are negotiable based on factors including, but not limited to, the dollar amount of assets managed, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition and negotiations with you. We disclose the fee to you before any services are provided.

Fees are charged quarterly in advance, based on the market value of the assets in your account on the last business day of the previous quarter. If the account is created mid-quarter, we bill the first period fees in arrears at the same time as the first full quarter of fees are billed. The initial quarter fees are prorated based on the number of days services are provided during that partial billing period.

When clients have a portion of their assets managed by a Separate Account Manager, the total advisory fee (Freedom Advisory's fee plus Separate Account Manager(s)' fees) shall generally not exceed 1.50% of the client's total assets on an annual basis. However, Separate Account Manager fees are always charged separately from Freedom Advisory's fee. Separate Account Managers are also responsible for calculating and collecting their fees directly from clients. Freedom Advisory is not responsible for the collection of Separate Account Manager fees. The exact fee charged by a Separate Account Manager will be in accordance with the Separate Account Manager's current fee policies and arrangements. Clients need to refer to the Separate Account Manager's Form ADV Disclosure Brochure for full details. For clients electing to use the Envestnet platform, Tamarac/Envestnet will receive a portion of the overall fee(s) paid to Separate Account Managers. Clients must opt-in to the Envestnet platform and will receive full and complete disclosures related to the services provided and fees charged.

Unless you request to make special arrangements with us, fees are deducted from your account by the account custodian and then paid to us.

- You receive statements directly from your account custodian at least quarterly showing the amount of advisory fees deducted from your account.

- We obtain standing written authorization from you to have the fees paid by your account custodian from your account directly to us.

Charles Schwab and Pershing transaction fees are charged directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you will incur certain charges imposed by third parties other than us in connection with investments made through your account, including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Our management fees are separate and distinct from the fees and expenses charged by investment company securities recommended to you. A description of these fees and expenses are available in each security prospectus.

Either party can terminate services at any time by providing written notice to the other party. Termination is effective upon receiving the notice. If services are terminated within 5 business days of signing the client agreement, they are terminated without penalty; no fees are due and there is a full refund of any fees paid in advance. If services are terminated after the initial 5 business day period, fees are prorated based on the number of days services are provided prior to the effective date of termination. We provide you with a billing statement detailing the prorated fees refunded to you.

Retirement Plan Services

For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

Fiduciary Consulting Services

We provide the following Fiduciary Retirement Plan Consulting Services:

- **Investment Policy Statement Preparation.** We will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- **Non-Discretionary Investment Advice.** We will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- **Investment Selection Services.** We will provide you with recommendations of investment options consistent with ERISA section 404(c).
- **Investment Due Diligence Review.** We will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- **Investment Monitoring.** We will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and we will make recommendations to maintain or remove and replace investment options.
- **Default Investment Alternative Advice.** We will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. The retirement plan sponsor client who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and we do not serve as administrator or trustee of the plan. We do not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

We acknowledge that in performing the Fiduciary Consulting Services listed above that we are acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. We will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause us to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, we (a) have no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of the client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of the client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of the client’s retirement plan or the interpretation of the client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of the client’s retirement plan as defined in ERISA.

Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since we are not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

We provide clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. We will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Advisor’s assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. We will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. We will assist you with the establishment of a qualified plan by working with you and a selected Third-Party Administrator. If you have not already selected a Third-Party Administrator, we shall assist you with the review and selection of a Third-Party Administrator for the Plan.

- Due Diligence Review. We will provide you with periodic due diligence reviews of your Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. We will help you establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. We will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, we cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

We will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

Fees for Retirement Plan Services

For retirement plan sponsor clients, we charge an annual fee of 0.50% based upon the value of the plan assets.

This fee is negotiable based upon the dollar amount of assets to be managed, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, and negotiations with the client.

Fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Services terminate upon thirty (30) days following either party providing the other party with written notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

We do not reasonably expect to receive any other compensation, direct or indirect, for our services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

B. Fees Deducted From Assets or Clients Billed

Financial planning fees are billed directly to you. Investment management fees are deducted from your account quarterly. Fees for accounts at third-party money managers serving as Separate Account Managers are deducted from your account quarterly; these fees are in addition to Freedom Advisory's advisory fee. Fees for Retirement Plan Services will be directly deducted from the plan. Clients are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to our firm. We will provide the custodian with a fee notification statement. Please see **Compensation**, above for full details.

C. Additional Client Fees Charged

You can be charged custodial, brokerage, transaction fees and other fees on managed accounts. Please see **Asset Management Services**, above, for full details.

D. Prepayment of Client Fees Disclosed

Fees for written financial plans are paid at the time the client agreement is signed. Pension assistance services and management fees are billed in advance. Please see **Compensation** above, for full details, including termination provisions and prorated calculations for fees and refunds.

E. External Compensation for the Sale of Securities to Clients

We do not accept compensation for the sale of securities from any broker/dealer or investment product sponsor. Our representatives are independently licensed as insurance agents and can earn commissions when selling insurance products in this separate capacity.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account, we do not receive performance-based fees. Freedom Advisory does not conduct side-by-side management.

Item 7 – Types of Clients

Description of Types of Clients Provided Advice

We provide investment advice to the following types of clients:

- Individuals (including high-net worth individuals)
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

Minimum Investment Amounts Required

The minimum fee for financial planning services is \$2,500.

We charge a minimum \$1,500 fee for management services. The minimum account value required to establish a managed account with us is \$250,000. However, third-party managed programs generally have account minimum requirements, and these minimum requirements vary from investment advisor to investment advisor.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis

We use fundamental analysis when considering investment strategies and recommendations for clients. Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. All investments involve risk, no matter what type of analysis is used to evaluate securities.

B. Investment Strategy and Method of Analysis Material Risks

Using fundamental analysis involves risks. Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Therefore, a gain may not be realized until a security's market price rises to its "correct" value over the long run--perhaps several years. The less frequent trading

practices of fundamental analysis could also have a positive or negative impact on a client's portfolio value, but likely has reduced brokerage and transaction costs.

When implementing investment advice, our investment strategies include:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)

Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Advisor.) Based on the initial client portfolio analysis and client-approved investment plan, Freedom is granted limited discretionary authority to implement the recommended investment strategies. Unless the client and advisor agree upon exceptions, the firm primarily invests client portfolios in a mix of active and passive mutual funds, ETFs and Separate Managed Accounts. Investment Managers are selected based on both quantitative and qualitative analysis. Some of the key quantitative and qualitative factors are: **Quantitative Analysis** - historical return and volatility profile of the manager, historical correlation of that manager to various asset classes, the impact that adding a manager would have on our model portfolios **Qualitative Analysis** - examination of the manager's investment process, assessment of the manager's risk management process, understanding how the manager's investment team operates.

We gather information from research materials prepared by others, corporate rating services, annual reports, prospectus and other filings with the Securities and Exchange Commission and company press releases. Elements used in our due diligence process includes investment objectives, management style, management tenure, management accessibility, performance, reputation, financial strength, reporting, pricing, and research.

Your investment with us 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 your investments can decrease.

C. Security Specific Material Risks

We give advice on many different types of securities products. (See **Advice to Certain Types of Investments** under **Item 4 B, Description of Advisory Services Offered**, above.) However, we do not recommend any specific security to you. Instead, we recommend any product that may be suitable for you relative to your specific circumstances and needs.

Investing in any security involves a risk of loss that you should be prepared to bear, including loss of your original principal. You should also be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk.** Either the 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 referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in our perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.

- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending 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.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

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 borrow part of the purchase price, then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. 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, including:

- 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 are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

Item 9 – Disciplinary Information

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our Disclosure Brochure.

A. Criminal or Civil Actions

Neither we nor our representatives have any criminal or civil actions in a domestic, foreign or military court of competent jurisdiction.

B. Administrative Enforcement Proceedings

Neither we nor our representatives have any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

C. Self-Regulatory Organization Enforcement Proceedings

Neither we nor our representatives have any Self-Regulatory Organization proceedings.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

We are not and do not have a related company that is a broker/dealer, municipal securities dealer, government securities dealer or broker. Further, neither we nor our representatives have an application pending for registration as any of the foregoing entities.

B. Futures or Commodity Registration

We are not and do not have a related company that is a futures commission merchant, commodity pool operator, or a commodity trading advisor. Further, neither we nor our representatives have an application pending for registration as any of the foregoing entities.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Freedom Advisory, LLC is under common ownership with other legal entities formed solely for shared-services, employment and other strategic considerations. These affiliated companies do not provide services and are not held out to the public.

One such company is Brion LLC which is the holding company of Freedom Advisory, LLC. Eduardo Ramos is the sole owner and sole member of Brion LLC and therefore is the indirect, controlling owner of Freedom Advisory, LLC.

We do not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- An investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

We are an independent registered investment registered advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

Insurance Services

Eduardo J. Ramos is also a Director of Antilles Insurance Company, Anglo Puerto Rican Insurance Corp. and Anglo Holdings, LLC. He can provide advisory services to these insurance entities. There is no formal solicitor/referral relationship between us and these insurance firms, but you should be aware this is a conflict of interest since Mr. Ramos, a Director of the firms, provides advisory services to them and advisory clients, and will receive insurance services from the firms.

Third – Party Investment Advisor Arrangements

As described in Item 4 – Advisory Business and Item 5 – Fees and Compensation, we recommend independent, third-party investment advisors to serve as Sub-Advisors or Separate Account Managers in our Investment Management services program.

Unlike other investment advisors, we do not receive a referral fee or solicitor fee from third-party money managers we recommend for clients. The only compensation we receive is the management fee we charge directly to our clients. Separate Account Managers will also bill clients directly, but our fees are completely separate from the fee charged by Separate Account Managers (please refer to Item 5 for more details). This policy helps us avoid selecting money managers based on our economic interests. Instead, we select money managers we believe are most appropriate for our clients absent additional economic benefits we could receive from a money manager.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

A. Code of Ethics

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that applies to all of our associated persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each client at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. On employment or affiliation and when changes occur, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our own or our supervised persons' own investment interest. We provide full disclosure of all material facts and conflicts of interest to clients prior to any services being conducted. We and our supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy is provided promptly upon request.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

We do not buy or sell for client accounts securities in which we or our representatives have a material financial interest. Examples of material financial interests include acting as principal to buy securities from or sell securities to clients, serving as general partner in a partnership solicited to clients or acting as investment adviser to an investment company recommended to clients. None of these examples apply to us.

C. Participation in Client Transactions and Personal Trading

Both we and our associated persons may buy or sell securities that are also recommended to clients. In order to minimize this conflict of interest, we have established an insider trading and personal securities transactions policy to monitor and supervise the personal accounts of our associated persons. In addition, securities recommended by us are widely held and publicly traded. Finally, in accordance with our fiduciary duty to clients, we and our associated persons place client interests ahead of our own interests.

D. Concurrent Securities Trades

In accordance with our fiduciary duty to clients, we and our associated persons always place client interests ahead of our own investment interests. We do not purchase or sell any security prior to a transaction being implemented for an advisory account, preventing us from benefiting from client transactions.

Item 12 – Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

If you wish to implement our advice, you are free to select any broker/dealer or investment advisor you wish and are so informed. If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. Best execution does not necessarily mean the lowest price but includes the overall services received from a broker/dealer. The trading process of any broker/dealer we suggest must be efficient, seamless and straight-forward. Overall custodial support, trade correction services and statement preparation are some of the other factors considered when suggesting a broker/dealer.

You should understand that not all investment advisors require the use of a particular broker/dealer. There may be other platforms that are less expensive and may provide faster execution capabilities. However, if you elect to establish a managed account with us, we recommend the use of a specific broker/dealer as the qualified custodian.

There is no direct link between the broker/dealer we recommend and the investment advice we provide to you, although we receive economic benefit through its participation in the institutional platforms. The benefits received by us do not depend on the amount of brokerage transactions directed to a particular broker/dealer.

As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that receiving economic benefits in and of itself creates a conflict of interest. At least annually, we review alternative custodians in the marketplace for comparison to the currently recommended custodian, evaluating criteria such as overall expertise, cost competitiveness and financial condition. We review quality of execution for custodians through trade journal evaluations. No single criterion validates or invalidates a custodian. Rather, all criteria taken together are used when evaluating the currently recommended custodian.

Recommended Brokerage

We recommend you establish an account at either (1) the Schwab Institutional, a division of Charles Schwab & Co., Inc. (Schwab) or BNY Mellon Pershing (Pershing) as a result of our participation in their investment advisor institutional platforms. Schwab and Pershing provide us with access to their respective institutional trading and custody services which are typically not available to retail investors. Schwab and Pershing's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or require significantly higher initial minimum investments. We are not affiliated with Schwab or Pershing (collectively referred to as Unaffiliated Broker/Dealers).

Unaffiliated Broker/Dealers also make available to us other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders from multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally can be used to service all or a substantial number of our accounts, including accounts not maintained at Unaffiliated Broker/Dealers. Unaffiliated Broker/Dealers also make available to us other services intended to help us manage and further develop our business enterprise. These services can include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Unaffiliated Broker/Dealers can make available, arrange and/or pay for these types of services rendered to us by an independent third party providing these services to us. As a fiduciary, we endeavor to act in clients' best interests and our recommendations that clients maintain their assets in accounts at Unaffiliated Broker/Dealers may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Unaffiliated Broker/Dealers. This is a conflict of interest.

Directed Brokerage Permitted

You are free to select any broker/dealer you wish. When you direct the use of a particular broker/dealer or other custodian, we may not be able to obtain the best prices and execution for the transaction. If you direct the use of a particular broker/dealer or custodian, you may receive less favorable prices than would otherwise be the case if you had not designated a particular broker/dealer or custodian. Further, if you instruct us to make directed brokerage arrangements you are not be able to participate in aggregate trades (i.e., block trades) and we may place directed trades after effecting non-directed trades.

Although we recommend the use of Schwab and Pershing, you can select a broker/dealer of your own choosing and still participate in our services. The decision to use a broker/dealer other than one preferred by us must be agreed between the two of us.

Handling Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is notified and any loss resulting from the trade error is absorbed by us if we caused the error. If the error is caused

by the broker/dealer, the broker/dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

B. Block Trades

We can elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and can be used when we believe such action will prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions are averaged as to price and are allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation or remuneration as a result of blocking trades. Generally, transactions for each client account are affected independently, the firm hardly but may aggregate the purchase or sale of securities.

Item 13 – Review of Accounts

A. Account Reviews

Freedom Advisory conducts ongoing account reviews for Investment Advisory clients, and generally prefer to personally meet and/or correspond with clients on an as-needed basis. Clients are reminded that it remains their responsibility to advise Freedom of any changes in their investment objectives and/or financial situation. Clients are encouraged to review financial planning issues, investment objectives and account performance with Freedom Advisory on an annual basis. The account custodians directly provide each client with transaction confirmation notices and regular written summary account statements directly. In addition, Freedom Advisory provides clients with quarterly statements summarizing account activity and performance.

Financial planning and consultation services terminate upon presentation of the plan or completion of the consultations and no reviews are conducted. Investment managed accounts are reviewed at least quarterly, including third-party money managers.

In addition, recommended investments are monitored for changes that could affect an investment portfolio. If a sub-advisor is utilized to manage all or a portion of client assets, the sub-advisor is responsible for the on-going review and monitoring of those assets. Absent specific instruction from the client, accounts are reviewed for continued suitability, accuracy of holdings and to ensure the portfolios continue to work toward each client's goals and objectives. Clients should always rely on the statement received from the custodian broker-dealer for all official valuation and tax information

B. Other Review Triggering Factors

While the calendar is the main triggering factor, reviews can also be performed due to client request, a change in client circumstances or unusual market activity or economic conditions.

C. Account Reports

Clients receive written statements from their account custodian at least quarterly. If there is activity in the account, they receive a monthly statement. We provide quarterly performance reports for clients participating in our asset management program. Financial planning and consulting clients receive written reports as originally contracted for and disclosed in the client agreement.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits

Please refer to **Item 10, Other Financial Industry Activities and Affiliations** and **Item 12, Brokerage Practices**, for information about other benefits and non-economic benefits received.

B. Client Referrals

Schwab Advisor Network

Freedom Advisory receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through our participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Freedom Advisory. Schwab does not supervise our firm and has no responsibility for the management of our clients' portfolios or our other advice and services. Freedom Advisory pays Schwab fees to receive client referrals through the Service.

Our participation in the Service is a conflict between our clients' interest that we recommend Charles Schwab as broker-dealer/qualified custodian based exclusively on the overall best execution services provided by Charles Schwab to clients and our interest in receiving new client referrals from Charles Schwab.

Freedom Advisory pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Freedom Advisory is a percentage of the fees the client owes to Freedom Advisory or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Freedom Advisory pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Freedom Advisory quarterly and can be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by Freedom Advisory and not by the client. Freedom Advisory has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Freedom Advisory charges clients with similar portfolios who were not referred through the Service.

Freedom Advisory generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Freedom Advisory generally would pay in a single year. Thus, Freedom Advisory will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Freedom Advisory's clients who were referred by Schwab and those referred clients' family members living in the

same household. Thus, Freedom Advisory will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Freedom Advisory's fees directly from the accounts.

For accounts of Freedom Advisory's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Freedom Advisory's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Freedom Advisory has an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Freedom Advisory nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab can be executed through a different broker-dealer than trades for Freedom Advisory's other clients. Thus, trades for accounts custodied at Schwab can be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts.

We have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

In addition to having trading authority on your accounts, we can implement trades on a discretionary basis with your written authorization. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. The firm's *Investment Advisory Agreement* provides a power-of-attorney for the limited purpose of providing Freedom Advisory with full authority to purchase, sell, or otherwise effect investment transactions involving the assets in the client's discretionary account(s). Clients can request, in writing, a reasonable limitation on this authority (e.g. limit the types/amounts of particular securities purchased for their account), which limitation will be accommodated where practicable. Freedom Advisory discretionary authority extends to the following responsibilities: (1) the amount and type of securities to be purchased or sold, and (2) when transactions are made. When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian.

Please note that the selection of third-party investment advisers to serve as Separate Account Managers is always made on a **non-discretionary** basis.

If management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

Item 17 – Voting Client Securities

A. Proxy Voting Authority

We do not vote proxies on your behalf and do not accept authority to do so.

B. Proxy Delivery

You receive proxies directly from your custodian or transfer agent. They are not delivered to us. You should read through the information provided with the proxy-voting documents and make a determination based on that information. At your request, we can provide limited clarifications of the issues presented in the proxy voting materials based on our understanding of issues. However, you have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

A. Prepayment

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

B. Financial Conditions Impairing Firm's Client Commitments

We are not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

C. Bankruptcy Petition During the Past Ten Years

We have not been the subject of a bankruptcy petition at any time.

Class Action Lawsuits

You retain the right under the applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. We do not initiate such a legal proceeding on your and do not provide legal advice to you regarding potential causes of action against such a security issuer and whether you should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, our services do not include monitoring or informing you of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for you.