

Genesis Financial Group, LLC

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Item 1: Firm Brochure (Form ADV Part 2A)

This brochure provides information about the qualifications and business practices of Genesis Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at the phone number listed above. 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. Registration (e.g. “registered investment advisor”) does not imply a certain level of skill or training.

Additional information about Genesis Financial Group, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Pursuant to SEC rules, Genesis Financial Group, LLC will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the Firm's fiscal year end, December 31. This means that if there were any material changes over the past year, clients will receive a summary of those changes no later than April 30. At that time, Genesis Financial Group, LLC will also offer a copy of its most current disclosure brochure and may also provide other ongoing disclosure information about material changes as necessary. If there are no material changes over the past year, no notices will be sent.

Clients and prospective clients can always receive the most current disclosure brochure for Genesis Financial Group, LLC at any time by contacting their investment advisor representative.

This is an initial ADV filing for Genesis Financial Group, LLC and therefore Genesis Financial Group, LLC has no material changes to report.

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Item 4 Advisory Business

Firm Description

Genesis Financial Group, LLC (“Genesis Financial” or the “Firm”) is an SEC registered investment advisor. Genesis Financial was founded in August 2023.

The Principal Owner and Chief Compliance Officer of Genesis Financial is Robert R. Buonanno.

Types of Advisory Services

The Firm offers a variety of services, including portfolio management and investment analysis for individuals including high net worth individuals, and businesses including small businesses. The Firm offers these services to clients or potential clients (“clients”).

Investment Advisory Services

Genesis Financial specializes in quantitative, fundamental, technical, and economic analysis to determine what investments are in favor of Genesis Financial investment models. Genesis Financial assesses the client’s current holdings and ensures alignment with both short- and long-term goals. The Firm performs ongoing reviews of investment performance and portfolio exposure to market conditions. Accordingly, the Firm is authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or sold without prior permission from the client for each transaction. Any and all trades are made in the best interest of the client as part of Genesis Financial’s fiduciary duty. However, risk is inherent to any investing strategy and model as is further explained in Item 8 below. Therefore, Genesis Financial does not guarantee any results or returns.

Prior to engaging Genesis Financial to provide any investment advisory services, Genesis Financial requires a written Investment Advisory Agreement (“IAA”) signed by the client prior to the engagement of any services. The IAA will outline services to which the client is entitled and fees the client will incur.

Genesis Financial is an asset-based fee investment management firm. The firm does not receive commissions for purchasing or selling stocks, bonds, mutual funds, real estate investment trusts, or other commissioned products for clients. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

Genesis Financial does not act as a custodian of client assets. The client always maintains asset control. Genesis Financial places trades for clients under a limited power of attorney through qualified custodian/broker.

Services Tailored to Clients’ Needs

Services are provided based on a client's specific needs within the scope of the services provided as discussed above. A review of the information provided by the client regarding the client's current financial situation, goals, and risk tolerances will be performed and advice will be provided that is in line with available information.

Wrap Fee Program versus Portfolio Management Program

Genesis Financial does not offer a Wrap Fee Program.

Assets Under Management

As of January 10, 2023, Adviser has the following assets under management:

Discretionary assets:	\$0
Non-discretionary assets:	\$0

Item 5 Fees and Compensation

Fees and other charges

Individually Managed Accounts:

Fees for individually managed accounts are based on the amount of assets under our management. Fees based on a percentage of assets under management will not exceed 2%. All asset-based fees are deducted by the qualified custodian of record on a quarterly basis in Advance, or as otherwise indicated in the client agreement. Client statements for prior deductions will be provided on a quarterly basis.

All fees paid to Genesis Financial for investment advisory services are separate and distinct from the expenses charged by third-party managers and Investment Companies to their shareholders. These fees and expenses are described to the client in separate disclosures. These fees will generally include third-party management fees, an Investment Company management fee, other fund expenses, and in some situations a possible distribution fee.

Genesis Financial will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will Genesis Financial accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Client may contact the Custodian directly for disbursements, or account record changes, and may also do so in writing to the custodian. Genesis Financial may act at the client's convenience to facilitate such written communications to the Custodian, provided that such action is not construed to be custody of client assets.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Fees paid to Genesis Financial are separate and distinct from the custodian and execution fees.

Clients may request to terminate their advisory contract with Genesis Financial, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to the client through the Custodian. Client's advisory agreement with Genesis Financial is non-transferable without Client's written approval.

Fee Deduction Disclosure

Where Genesis Financial deducts its management fee from client accounts utilizing a qualified custodian, Genesis Financial is required to meet the following requirements.

- a. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b. The firm must send the qualified custodian a written invoice detailing the fee amount to be deducted from the client account; and,

Right of Cancellation

In addition to the right to terminate an agreement pursuant to its terms, a client may cancel an agreement with Adviser within five (5) business days of first receiving a copy of this disclosure brochure and supplement without penalty or fee.

C. Additional Fees and Expenses

Custodians may charge transaction fees on purchases or sales of securities. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the Brokerage Practices section of this brochure.

D. Termination and Refunds

Adviser's Investment management fees are payable quarterly in advance, based on the value at the end of the previous quarter, which will then be billed at the beginning of the next quarter. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client by check issued to the customer as soon as practicable.

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

Genesis Financial does not charge or accept performance-based fees.

Item 7 Types of Clients

Genesis Financial provides investment advice to many different types of clients. These clients generally include individuals, high-net worth individuals, corporations, and other types of business entities.

Minimum Account Size

The Firm does not require a minimum account size. Third-party managed programs generally have account minimum requirements, and these minimum requirements vary from manager to manager. Account minimums are generally higher on fixed income accounts than equity-based accounts.

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

A. Investment Strategies

When implementing investment advice to clients, the Firm may employ a variety of strategies to best pursue the objects of clients. Depending on market trends and conditions, Genesis Financial will employ any technique or strategy herein described, at the Firm's discretion and in the best interests of the client. The Firm does not recommend any particular security or type of security. Instead, the Firm makes recommendations to meet a particular client's financial objectives. There is inherent risk to any investment and clients may suffer loss of ALL OR PART of a principal investment.

Long-Term Purchases

Long-term purchases are securities that are purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen changes in the company in which a client is invested or in the overall market. Long term trading is designed to capture market rates of both return and risk. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Due to its nature, the long-term strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, and political/regulatory risk.

Short-Term Purchases

Short-term purchases are securities that are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of

the securities' short-term price fluctuations. Short-term trading generally holds greater risk. Frequent trading can affect investment performance due to increased brokerage fees and other transaction costs and taxes.

Strategic Asset Allocation

Asset allocation is a combination of several different types of investments; typically, this includes stocks, bonds, and cash equivalents among various asset classes to achieve diversification. The objective of asset allocation is to manage risk and market exposure while still positioning a portfolio to meet financial objectives.

B. Methods of Analysis

The Firm may use the following methods when considering investment strategies and recommendations.

Cyclical Review

A cyclical analysis assumes the market reacts in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical analyses exist because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

Economic Review

An economic analysis determines the economic environment over a certain time horizon. This involves following and updating historic economic data such as U.S. gross domestic product and consumer price index as well as monitoring key economic drivers such as employment, inflation, and money supply for the world's major economies.

Technical Review

Technical analysis is a method of evaluating securities that analyzes statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses past market data and statistical tools to identify patterns that can suggest future activity. Historical performance of securities and the markets can indicate future performance.

Charting Review

Charting is a technical analysis that charts the patterns of stocks, bonds, and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and

plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time, and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

Fundamental Review

A fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the true value of a company or security by looking at all aspects of the company or security, 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 with the aim of determining what sort of position to take with that security (e.g., if underpriced, the security should be bought; if overpriced the security should be sold). Fundamental analysis uses 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 many types of securities.

C. Risk of Loss

Investing inherently involves risk up to and including loss of the principal sum. Further, past performance of any security is not necessarily indicative of future results. Therefore, future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. Genesis Financial does not provide any representation or guarantee that the financial goals of clients will be achieved.

The potential return or gain and potential risk or loss of an investment varies, generally speaking, with the type of product invested in. Below is an overview of the types of products available on the market and the associated risks of each:

General Risks. Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

General Market Risk. Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

Common Stocks. Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

Portfolio Turnover Risk. High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

Non-Diversified Strategy Risk. Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions. There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses

that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

Legislative and Tax Risk. Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

Foreign Investing and Emerging Markets Risk. Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries.

In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Information Security Risk. We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

Tax Risks. Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

Dependence on Key Employees. An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

C. Description of Material, Significant or Unusual Risks.

Adviser does not primarily recommend a particular type of security.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory business or integrity of the Firm's management.

Genesis Financial has no disciplinary disclosures. Rob Buonanno, the owner and operator of Genesis Financial, has no disciplinary disclosures.

Item 10 Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer or Broker/Dealer Representative

Genesis Financial is not registered and does not have an application pending to register, as a broker dealer and its management persons are not registered as broker/dealer representative.

Registration as a Futures Commission merchant, Commodity Pool Operator

Genesis Financial and its management persons are not registered and do not have application pending to register, as a futures commission merchant, commodity pool operator/advisor.

Relationships Material to this Advisory Business and Possible Conflicts of Interest

Genesis Financial does not have any relationships material to the advisory business.

Selection of other Advisors

Genesis Financial does not recommend or select other investment advisers for its clients.

Item 11 Code of Ethics, Conflicts of Interest, and Personal Trading

A. Fiduciary Status

According to SEC law, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. Genesis Financial and its representatives have a fiduciary duty to all clients.

Genesis Financial and its representatives' fiduciary duty to clients is considered the core underlying principle for Genesis Financial's Code of Ethics and represents the expected basis for all representatives' dealings with clients. Genesis Financial has the responsibility to ensure that the interests of clients are placed ahead of it or its representatives' own investment interest. All representatives will conduct business in an honest, ethical, and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect the representatives' duty of complete loyalty to their clients.

B. Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

C. Personal Trading Practices.

Genesis Financial and/or its investment advisory representatives may from time-to-time purchase or sell products or investments that they may recommend to clients. Adviser has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser.

In addition, the Code of Ethics governs personal trading by each employee of Adviser deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of

Adviser are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates.

Adviser collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Adviser's Code of Ethics is available upon request.

D. Aggerated Trading

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the Brokerage Practices section in this brochure for information on our aggregated trading practices.

Item 12 Brokerage Practices

A. Selection and Recommendation

Genesis Financial has a duty to select brokers, dealers and other trading venues that provide best execution for clients. The duty of best execution requires an investment adviser to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, taking into account all relevant factors. The lowest possible commission, while very important, is not the only consideration. The brokers dealers Genesis Financial currently utilizes are National Financial Services LLC (Fidelity).

It is the policy of the Firm to seek best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. This applies to trading in any instrument, security, or contract including equities, bonds, and forward or derivative contracts.

The standards and procedures governing best execution are set forth in several written policies. Generally, to achieve best execution, we will consider the following factors, without limitation, in selecting brokers and intermediaries:

- Execution capability;
- Order size and market depth;
- Availability of competing markets and liquidity;
- Trading characteristics of the security;
- Availability of accurate information comparing markets;
- Quantity and quality of research received from the broker dealer;
- Financial responsibility of the broker-dealer;
- Confidentiality;
- Reputation and integrity;
- Responsiveness;
- Recordkeeping;
- Ability and willingness to commit capital;

- Available technology; and
- Ability to address current market conditions.

Genesis Financial is independently owned and operated and is not affiliated with Fidelity. Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend that you use Fidelity as a custodian, you will decide whether to do so and will open your account with Fidelity by entering into an account agreement directly with them. We do not open an account for you, although we may assist you in doing so.

Genesis Financial participates in the institutional advisor program (the “Program”) offered by Fidelity Brokerage Services LLC and National Financial Services LLC (collectively Fidelity). Fidelity offers Genesis Financial services which include custody of securities, trade execution, clearance and settlement of transactions. Genesis Financial receives some benefits from Fidelity through its participation in the Program. As part of the Program, Genesis Financial may recommend Fidelity to clients for custody and brokerage services. There is no direct link between Genesis Financial’s participation in the Program and the investment advice it gives to its clients, although Genesis Financial receives economic benefits through its participation in the Program that are typically not available to Fidelity retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Genesis Financial participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have Genesis Financial fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Genesis Financial by third party vendors. Fidelity may also pay for business consulting and professional services received by Genesis Financial’s related persons. Some of the products and services made available by Fidelity through the Program may benefit us but may not benefit its client accounts. These products or services may assist Genesis Financial in managing and administering client accounts, including accounts not maintained at Fidelity. Other services made available by Fidelity are intended to help us manage and further develop our business enterprise. The benefits received by Genesis Financial or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to Fidelity. As part of its fiduciary duties to clients, Genesis Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Genesis Financial or its related persons in and of itself creates a conflict of interest and may indirectly influence the Genesis Financial choice of Fidelity for custody and brokerage services.

B. Research and Other Soft Dollar Benefits

Soft dollar practices are arrangements whereby an investment adviser directs transactions to a broker-dealer in exchange for certain products and services that are allowable under SEC rules. Client commissions may be used to pay for brokerage and research services and products as long as they are eligible under Section 28(e) of the Exchange Act of 1934. Section 28(e) sets forth a “safe harbor,” which provides that an investment adviser that has discretion over a client account is not in breach of

its fiduciary duty when paying more than the lowest commission rate available if the adviser determines in good faith that the rate paid is commensurate with the value of brokerage and research services provided by the broker-dealer.

Genesis Financial does not currently have any soft dollar benefit arrangements.

C. Brokerage for Client Referrals

Genesis Financial does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

D. Directed Brokerage

Genesis Financial does permit clients to direct us to use brokers other than Fidelity. In such situations, Genesis Financial will likely have little or no ability to negotiate commissions, and clients will not benefit from any trade aggregation we would otherwise implement, which can result in greater client costs. Because we are not choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for clients, and this can ultimately cost clients more money.

E. Order Aggregation

Genesis Financial may, at times, aggregate sale and purchase orders of securities (“block trading”) for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. Genesis Financial may aggregate or “bunch” transactions for a client’s account with those of other clients in an effort to obtain the best execution under the circumstances.

F. Trade Error Policy

Genesis Financial maintains a record of any trading errors that occur in connection with investment activities of its clients. Both gains and losses that result from a trading error made by Genesis Financial will be borne or realized by Genesis Financial.

Item 13 Review of Accounts

A. Periodic Reviews

The Firm regularly reviews and evaluates client accounts for compliance with each client’s investment objectives, policies and restrictions. The Firm analyzes rates of return and allocation of assets to determine model strategy effectiveness. Such reviews are conducted by the Chief Compliance Officer of Genesis Financial and shall occur at least once per calendar year.

B. Intermittent Review Factors

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify Genesis Financial promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

C. Reports

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information from the Custodian. Confirmations and statements are prepared and delivered by the custodian.

Item 14 Client Referrals and Other Compensation

Client Referrals

Adviser will not receive any economic benefit from another person or entity for soliciting or referring clients.

Other Compensation

Adviser will not pay another person or entity for referring or soliciting clients for Adviser.

Item 15 Custody

A. Custodian of Assets

Custody means holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them. Genesis Financial does not have direct custody of any client funds and/or securities. Genesis Financial will not maintain physical possession of client funds and securities. Instead, clients' funds and securities are held by a qualified custodian.

While Genesis Financial does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application.

In certain jurisdictions, the ability of Genesis Financial to withdraw its management fees from the client's account may be deemed custody. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of our advisory fee calculation. Therefore, we recommend clients carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact Genesis Financial directly if they believe that there may be an error in their statement.

Additionally, certain clients have, and can in the future, sign a standing letter of authorization (SLOA) that gives Genesis Financial the authority to transfer funds to a third party as directed by the client in the SLOA. This is also deemed to give the Firm custody. The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

The current custodians Genesis Financial currently utilizes are Fidelity.

Item 16 Investment Discretion

Genesis Financial may exercise full discretionary authority to supervise and direct the investments of a client's account. This authority will be granted by clients upon completion of Genesis Financials IAA. This authority allows Genesis Financial and its affiliates to implement investment decisions without prior consultation with the client. Such investment decisions are made in the client's best interest and in accordance with the client's investment objectives. The discretionary authority granted by the client to the Firm does not allow Genesis Financial to direct the disposition of such securities or funds to

anyone except the account holder. Clients can add limitations to our discretionary authority at any time and the portfolio manager will note any client requested restriction for the portfolio.

Item 17 Voting Client Securities

The Firm does not perform proxy voting services on the client's behalf. Clients are encouraged to read through the information provided with the proxy voting documents and to make a determination based on the information provided. Upon the client's request, Firm representatives may provide limited clarifications of the issues presented in the proxy voting materials based on his or her understanding of issues presented in the proxy voting materials. However, clients have the ultimate responsibility for making all proxy voting decisions.

Item 18 Financial Information

A. Balance Sheet Requirement

Genesis Financial is not the qualified custodian for client funds or securities and does not require prepayment of fees of more than \$1200 per client, six (6) months or more in advance.

B. Financial Condition

Genesis Financial does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

C. Bankruptcy Petition

Genesis Financial has not been the subject of a bankruptcy petition at any time during the last 10 years.