

Is an Investment Advisory Account Right for You?

Financial Council, LLC ("FC") is an investment adviser registered with the Securities and Exchange Commission ("SEC") and provides advisory services rather than brokerage services. There are different ways that you can get help with your investments. You should carefully consider which types of accounts and services are right for you. Investment advisory and brokerage services and fees differ, and it is important for retail investors to understand the differences. This document gives you a summary of the types of services FC provides and how FC is compensated. Please feel free to ask us for more information - some suggested questions are provided as examples. Additionally, free and simple tools are available to you to assess firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides free educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

FC provides investment advisory services to retail investors and various organizations by developing and recommending portfolios of mutual funds built around specific asset allocation models. FC assists clients, by evaluating a client's goals, risk tolerance and other factors, in selecting an appropriate allocation model or models. As part of its standard services, FC continually monitors the client's portfolio to ensure it remains consistent the selected model/s, with FC having full discretion over investment selection and trading subject to an advisory agreement executed with each client. Allocations are designed to capture ranges of client criteria and portfolios are not individualized. Clients cannot impose restrictions on the portfolios. FC does not provide investment advice beyond managed portfolios of mutual funds.

Additional information about FC's services is provided in FC's Form ADV Part 2A, Items 4 & 7.

Conversation Starters

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

FC is compensated for investment advisory services by a percentage of the assets managed beginning at 1.25% for the first \$500,000 and gradually diminishing on amounts greater than \$500,000. For example, a \$1,500,000 account would pay 1.25% on the first \$500,000, 1.00% on the next \$500,000 and 0.75% on the remaining \$500,000. Fees are collected quarterly in arrears from client assets, subject to the terms of the advisory agreement. Client accounts are rebated any mutual fund 12(b)-1 fees paid to FC as they are collected.

FC fees do not include brokerage commissions, other transaction fees, or other related costs and expenses which may be incurred by the client such as wire transfer and electronic fund fees. These costs are in addition to the advisory fees charged by FC. Asset-based fees subject FC to a potential conflict of interest in that the more assets there are in your advisory account, the more you will pay in fees, and thus the firm has an incentive to encourage you to increase the assets in the account.

Client portfolios are invested in mutual funds as part of FC's investment strategy in order to gain access to certain sectors, markets, or securities. Investments in mutual funds include an embedded investment management fee paid to the mutual fund's manager, as well as other fees and expenses associated with the mutual fund (with the exception of 12(b)-1 fees as described above). FC clients are responsible for all fees and expenses charged by the mutual fund in addition to the management fee charged by FC. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Additional information about FC's fees is provided in FC's Form ADV Part 2A, Items 5 & 6.

Conversation Starter

- Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

Third-Party Relationships – selection of broker-dealer: the principals, solicitors and advisory representatives of FC are registered representatives and as such are required to place all brokerage business through Commonwealth Financial Network

("Commonwealth"). While FC monitors trades placed through Commonwealth for execution quality, the additional administrative burden to FC of changing employee registrations is an incentive for FC to continue to direct client trades to Commonwealth rather than another broker-dealer.

Third-Party Payments – payment for certain products and services: the principals, solicitors and advisory representatives of FC are registered representatives of Commonwealth and individually are entitled to remuneration on certain securities recommended for FC client accounts. Additionally, FC receives certain products and services from Commonwealth without charge to the adviser. These factors each are an incentive for FC to continue to direct client trades to Commonwealth rather than another broker-dealer.

Additional information regarding FC's relationship with Commonwealth is provided under Item 10 on FC's Form ADV Part 2A. Similarly, details regarding brokerage selection are provided under Item 12 of that document.

Conversation Starter

- How might your conflicts of interest affect me, and how will you address them?
- Do additional or different conflicts apply when financial professionals act as a representative of the broker-dealer? How do I know when they apply?
- Can I request a copy of Commonwealth's Form CRS relationship summary?

How do your financial professionals make money?

FC's principals and advisory representatives are paid a salary by FC. As registered representatives of Commonwealth, the principals and investment adviser representatives of FC receive commissions on any investment products sold or placed through Commonwealth not related to FC, and are eligible to receive commissions and/or renewals on various products they may solicit in addition to any compensation received from the Adviser. Additionally, FC's owners are entitled to income from the revenue the firm earns.

FC compensates approved, properly licensed solicitors and investment adviser representatives of Commonwealth up to 79% of the fee collected by FC for the referral of clients to FC and for performing certain tasks including conducting the annual review and update for clients. Solicitors of FC have entered into and are bound by a Solicitor's Agreement with FC and are subject to specific disclosure requirements such as delivery of a solicitors notice and FC's Form ADV Part 2A brochure.

Additional information regarding FC's affiliations and its policies on the use of solicitors is provided under Item 10 and Item 14, respectively, on FC's Form ADV Part 2A.

Conversation Starter

- Through which affiliate or affiliates will you be compensated in the proposed arrangement?
- Can I request a copy of Commonwealth's Form CRS relationship summary?

Do you or your financial professionals have legal or disciplinary history?

No for FC as a firm. Yes for our financial professionals. Additional information regarding these events is available on the SEC's Investment Adviser Public Disclosure database (www.adviserinfo.sec.gov), FINRA's BrokerCheck (brokercheck.finra.org), and also Investor.gov/CRS. All clients and prospective clients are advised to research FC and its investment professionals using these free and simple search tools.

Conversation Starter

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Does FC make recommendations similar to those that were the subject of the disputes above?

Additional Information:

Additional information about FC, including services, fees and financial industry relationships, are provided in FC's Form ADV. Form ADV for FC (CRD# 110748), FCI (CRD# 110751) and Commonwealth Financial Network is available at www.adviserinfo.sec.gov. FC's Part 2A brochure can also be requested free of charge by contacting us at (410) 821-9200 or jodig@financialcouncil.com. Commonwealth also has a report filed on FINRA's BrokerCheck at brokercheck.finra.org.

Free and simple tools are available to you to "check out" FC and its financial professionals at Investor.gov/CRS, which also provides free educational materials about broker-dealers, investment advisers, and investing.

Conversation Starters

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?