

Item 1: Cover Page for Part 2A of Form ADV
Firm Brochure
April 30, 2024



BROUSSARD FINANCIAL GROUP, LLC
106 W VETERANS MEMORIAL DRIVE
KAPLAN, LA 70548
PHONE: (337) 643-8319
JERRY BROUSSARD, CCO
WWW.BROUSSARDFINANCIALGROUP.COM

This Brochure provides information about the qualifications and business practices of Broussard Financial Group, LLC ("Registrant"). If you have any questions about the contents of this Brochure, please contact us at (337) 643-8319 or at jerry@broussardfinancialgroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Broussard Financial Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov by searching CRD#: 123724.

Please note that the use of the term "registered investment adviser" and description of Broussard Financial Group, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for Registrant's associates who advise you for more information on the qualifications of Registrant and its employees.

Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure

There have been material changes since the February 2, 2023 Form ADV Annual Amendment filing. Specifically,

Item 5 has been amended to reflect a new fee schedule.

Item 7 has been amended to reflect a new minimum account balance of \$500,000 for asset management services.

Although not material, the Registrant has made disclosure changes, enhancements and additions below at Items 4 and 12.

Registrant's Chief Compliance Officer, Jerry James Broussard remains available to address any questions that a client or prospective client may have regarding this Brochure.

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Item 4: Advisory Business

Broussard Financial Group, LLC ("we" or "Registrant") is dedicated to providing clients with a wide array of investment advisory services. Registrant is a Louisiana limited liability company. We have been in business as an investment adviser since 2002 and Registrant is owned solely by Jerry James Broussard, Managing Member and Chief Compliance Officer.

Description of Advisory Services

Asset Management:

Registrant provides discretionary investment advisory services on a *fee* basis as discussed at Item 5 below. Before engaging Registrant to provide investment advisory services, clients are generally required to enter into an *Investment Advisory Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, Registrant will ascertain each client's investment objective(s) and then allocate the client's assets consistent with the client's designated investment objective(s). Once allocated, Registrant provides ongoing supervision of the account(s).

For individual retail (i.e., non-institutional) clients, Registrant's annual investment advisory fee shall generally (exceptions can occur-***see below***) include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Registrant), Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

Please Note: Planning Limitations. Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant. It remains each client's responsibility to promptly notify Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services

We provide continuous advice to clients regarding the investment of their assets, which is individually tailored to each client's individual needs and investment objectives. As part of our asset management service, we generally create a portfolio, consisting of exchange traded funds ("ETFs"), mutual funds, and cash equivalents. In limited circumstances, we may also manage individual stocks or bonds. Once the portfolio has been designed, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions, in writing, on the types of investments to be held in the portfolio.

Financial Planning and Consulting:

Stand-Alone Financial Planning and Non-Investment Consulting Services. Registrant may also provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. on a stand-alone basis per the terms and conditions of a separate written agreement and fee, the fee for which shall generally be based upon the individual providing the service and the scope of the services to be provided. Prior to engaging Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting*

Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

We provide a variety of financial planning and consulting services based upon an analysis of client's current situation, goals, and objectives. Generally, our financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning. Registrant will generally provide such financial planning and consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee)

Our written financial plans or financial consultations with clients usually include general recommendations for a course of activity or specific actions. For example, Registrant may recommend that clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting-only services, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. The client retains absolute discretion over all financial planning and related implementation decisions and is free to accept or reject any recommendation from Registrant and its representatives. Registrant's financial planning and consulting services are completed upon communicating its recommendations to the client or delivering a written financial plan.

Implementation of the recommendations will be at the discretion of the client. Clients are under no obligation to act upon our recommendations. If clients elect to act on our recommendations, the client is under no obligation to affect the transaction through us.

Miscellaneous

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As described above, Registrant will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. Registrant will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). **Please Note.** Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant. The Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-

investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the engaged professional shall remain exclusively responsible for resolving any such dispute with the client. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** Registrant, shall be responsible for the quality and competency of the services provided.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on that information. Moreover, it remains each client's responsibility to promptly notify Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Portfolio Trading Activity. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Registrant determines that trades within a client's portfolio are imprudent. Clients will nonetheless remain subject to the fees described in Item 5 below during periods of account trading inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by the Registrant will be profitable or equal any specific performance level(s).

Other Assets. A client may:

- hold securities that were purchased at the request of the client or acquired prior to the client's engagement of the Registrant. Generally, with potential exceptions, the Registrant does not/would not recommend nor follow such securities, and absent mitigating tax consequences or client direction to the contrary, would prefer to liquidate such securities. Please Note: If/when liquidated, it should not be assumed that the replacement securities purchased by the Registrant will outperform the liquidated positions. To the contrary, different types of investments involve varying degrees of risk, and there can be no assurance that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). In addition, there may be other securities and/or accounts owned by the client for which the Registrant does not maintain custodian access and/or trading authority; and,
- hold other securities and/or own accounts for which the Registrant does not maintain custodian access and/or trading authority.

Corresponding Services/Fees: When agreed to by the Registrant, the Registrant shall: (1) remain available to discuss these securities/accounts on an ongoing basis at the request of the client; (2) monitor these securities/accounts on a regular basis, including, where applicable, rebalancing with client consent; (3) shall generally consider these securities as part of the client's overall asset allocation; and, (4) report on such securities/accounts as part of regular reports that may be provided by the Registrant; and, (5) include the market value of all such securities for purposes of calculating advisory fee.

ESG: We don't have or recommend a strategy:

Please Note: Socially Responsible (ESG) Investing Limitations. *Socially Responsible Investing* involves the incorporation of **Environmental, Social and Governance** (“ESG”) considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful. Registrant does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so. If implemented, Registrant shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account manager to determine that the fund’s or portfolio’s underlying company securities meet a socially responsible mandate.

WE DON’T RECOMMEND Cryptocurrency: For clients who want exposure to cryptocurrencies, including Bitcoin, the Registrant, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, the Registrant will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment. **Please Note:** The Registrant **does not** recommend or advocate the purchase of, or investment in, cryptocurrencies. The Registrant considers such an investment to be **speculative**. **Please Also Note:** Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for **liquidity constraints, extreme price volatility and complete loss of principal**.

Cash Positions. Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant’s advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant’s advisory fee could exceed the interest paid by the client’s money market fund.

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian’s sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Registrant shall generally purchase a higher yielding money market fund available on the custodian’s platform with cash proceeds or deposits, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client’s account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not

limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Jerry Broussard, remains available to address any questions that a client or prospective client may have regarding the above.

Custodian Charges-Additional Fees. As discussed below at Items 5 and 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that *Schwab* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *Schwab*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level.

Account Reporting Platform. Registrant may also provide access to account reporting platforms (each, a "Platform"), which can incorporate client investment assets that are not part of the assets that Registrant manages (the "Excluded Assets"). **the client and/or his/her/its other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless also agreed to otherwise, Registrant does not provide investment management, monitoring or implementation services for the Excluded Assets. If the Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client can engage Registrant to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Registrant and the client.

- **emoney.** In the event that the Registrant provides the client with access to an unaffiliated vendor's website such as *emoney*, and the site provides access to information and/or concepts, including financial planning, the client, should not, in any manner whatsoever, infer that such access is a substitute for services provided by the Registrant. Rather, if the client utilizes any such content, the client does so separate and independent of the Registrant.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (**whether it is from an employer's plan or an existing IRA**), Registrant is acting as a fiduciary within the meaning of Title I of the Employee

Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts

Use of Mutual and Exchange Traded Funds: Registrant utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Registrant’s investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant’s clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant’s operations and result in the unauthorized acquisition or use of clients’ confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Tailoring of Advisory Services

As described above, we tailor our advisory services specific to the needs of each client. Further, each client has the opportunity to place reasonable restrictions, in writing, on the types of investments to be held in a portfolio, or with respect to the scope of financial planning services to be provided.

Participation in Wrap Fee Programs

Registrant does not participate wrap fee programs.

Assets under Management

As of December 31, 2023, Registrant managed \$ 100,375,923 on a discretionary basis.

Item 5: Fees & Compensation

The following describes our investment advisory fees, as well as the separate brokerage, custody, fees and fund expenses you will separately incur. Please note, that lower fees for comparable services may be available from other sources. Our fees may in certain circumstances be negotiable.

Compensation for Advisory Services

Asset Management Only:

Assets under Management
\$0 to \$1,000,000

Annual Percentage of Assets Charge*:
0.90%

Next \$1,000,001 to \$3,000,000	0.80%
Next \$3,000,001 to \$6,000,000	0.60%
Next Over \$6,000,001	0.40%

*Certain existing or legacy clients may be charged under a different fee schedule. Registrant's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Unless otherwise agreed in writing, all cash and cash equivalent positions will be included as part of assets under management for purposes of calculating the advisory fee. Certain client may hold legacy positions in bonds or other securities. Registrant will not monitor, advise on or bill on these legacy bond positions. Registrant's policy is to treat intra-quarter account additions and withdrawals equally and will not charge for intra-quarter additions or withdrawals unless indicated to the contrary on the Registrant's Investment Advisory Agreement executed by the client.

Fees will generally be automatically deducted from your managed account. In rare cases, we will agree to directly bill clients. As part of this process, you understand and acknowledge the following:

- a) Our clients must provide us with written authorization permitting direct payment to us for our advisory fees from their account(s) maintained by a custodian who is independent of Registrant;
- b) We must disclose to you that it is your responsibility to verify the accuracy of our fee calculation, and that the custodian will not determine whether the fee is properly calculated; and
- c) Your account custodian must agree to send you a statement, at least quarterly, showing all disbursements from your account, including advisory fees.

Financial Planning and Consulting (Stand-Alone):

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly rate is \$200. Flat fees generally range from \$900 to \$5,000.

Fees are due upon completion of the plan or consultation. We may require a retainer of fifty- percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within 6 (six) months.

Other Fees

As discussed below, unless the client directs otherwise or an individual client's circumstances require, Registrant generally recommends that Charles Schwab & Co., Inc., an SEC-registered and FINRA member broker dealer and its affiliates ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers charge transaction fees for effecting certain securities transactions according to their fee schedule, and they or their affiliated custodians also impose additional charges for custodial services / fees associated with maintaining the client's account. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. The fees charged by the applicable broker-dealer/custodian, and the charges imposed by

mutual funds and ETFs, are separate from and in addition to Registrant's advisory fee referenced in Item 5 below. Registrant does not share in any portion of those fees.

Refunds Following Termination

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Commissionable Securities Sales

Neither Registrant, nor its representatives, accepts commission compensation from the sale of securities or other investment products.

Item 6: Performance-Based Fees & Side-By-Side Management

Registrant is not a party to any performance or incentive-related compensation arrangements with its clients.

Item 7. Types of Clients and Account Requirements

We provide investment advisory services to individuals, high net worth individuals, and related trusts and estates. We also offer investment advisory services to pension and profit sharing plans, corporations and other businesses. We generally require a minimum account balance of \$500,000 for asset management services. We may, in our sole discretion reduce or this requirement based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

Methods of Analysis

We typically use the following methods of security analysis:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Investment Strategies

We typically implement or recommend the following investment strategies for clients:

Long-term purchases. When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies (Long Term Purchases and Short Term Purchases) are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Registrant primarily allocates client investment assets among ETFs, mutual funds, and cash equivalents. In limited circumstances, Registrant may also manage individual stocks or bonds, and exchange traded notes. Each type of security has its own unique set of risks associated with it. The

following provides a short description of some of the underlying risks associated with investing in the types of securities to which Registrant allocates client investment assets:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Commodity Risk. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

Foreign Securities and Currencies Risk. Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal

when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Item 9: Disciplinary Information

Neither Registrant nor our related persons have disciplinary events to disclose.

Item 10: Other Financial Industry Activities & Affiliations

As indicated at Item 4 above, Registrant does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Neither the Registrant, nor its representatives, are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or a representative of the foregoing. Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person. Registrant does not receive, directly or indirectly, compensation from investment

advisors that it recommends or selects for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We recognize that the personal investment transactions of members and employees of Registrant demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of Registrant, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts which serves to establish a standard of business conduct that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, Registrant has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. 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 of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes 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. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Registrant and 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 will be provided promptly upon request.

Personal Securities Transactions

Related persons of Registrant may buy or sell securities and other investments that are also recommended to clients. Related persons of Registrant may also buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize these conflicts of interest, our related persons will place client interests ahead of their own interests and adhere to Registrant's Code of Ethics, a copy of which is available upon request.

Item 12: Brokerage Practices

Selection of Brokerage Firms

Registrant participates in the SEI Asset Management Program. SEI Investments Developments, Inc. (referred to as the "Custodian") is independent and unaffiliated with Registrant.

Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall advise on the client's assets, and a separate

custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Registrant considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab can charge transaction fees for effecting certain securities transactions (*See* Item 4 above). To the extent that a transaction fee will be payable by the client, the transaction fee shall be in addition to Registrant's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Registrant shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

Research and Other Benefits

We receive some benefits from our participation in our Custodian's programs. The Custodian makes certain research and brokerage services available at no additional cost to Registrant. These services include certain research and brokerage services, including research services obtained by the Custodian directly from independent research companies, as selected by Registrant (within specific parameters). Research products and services provided by the Custodian may also include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the Custodian in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by Registrant to manage accounts for which we have investment discretion. Without this arrangement, Registrant might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed above, we may have an incentive to continue to use or expand the use of the Custodians' services, and also to recommend that clients do the same. Registrant examined this conflict of interest when we chose to enter into the relationship with the Custodian and we have determined that the relationship is in the best interest of Registrant's clients and satisfies our client obligations, including our duty to seek best execution.

The Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodian enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Our Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodian may be higher or lower than those charged by other custodians and broker-dealers.

Our clients may pay commissions to the Custodian that is higher than another qualified broker dealer might charge to affect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best

execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by Registrant will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

Client Directed Brokerage

Neither we nor any of Registrant's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

We allow clients to direct brokerage. However, we may be unable to achieve the most favorable execution of client transactions. In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. **Please Also Note:** Higher transaction costs adversely impact account performance. **Please Further Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by Registrant. In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Trade Aggregation and Allocation

We perform investment management services for various clients. Transactions for each client account generally will be effected independently unless Firm decides to purchase or sell the same

securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or “batch” such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the “batch” transaction or transacted after all discretionary client transactions have been completed. The Firm shall not receive any additional compensation or remuneration as the result of such aggregation. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Soft Dollar Arrangement

In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant can receive certain investment research products or services which assist Registrant in its investment decision making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a “soft-dollar” arrangement). Registrant currently maintains a soft dollar arrangement with *Schwab*. Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Currently, Registrant Capital uses its soft dollar credits to obtain investment-related research and portfolio accounting system software. Although the commissions paid by Registrant’s clients shall comply with Registrant’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products or services that may be obtained by Registrant will generally be used to service all of Registrant’s clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account. With respect to investment research products or services obtained by Registrant that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Registrant shall make a reasonable allocation of the cost of the product or service according to its use-the percentage of the product or service that provides assistance to Registrant’s investment decision-making process will be paid for with soft dollars while that portion which provides administrative or other non-research assistance will be paid for by Registrant with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant’s investment management fee.

Item 13: Review of Accounts or Financial Plans

We review accounts on at least a quarterly basis for our clients. The nature of these reviews is to learn whether clients’ accounts are in line with their investment objectives, appropriately positioned

based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers conduct reviews. We provide online reports to clients on a daily basis, and when reasonably requested. Verbal reports to clients take place on at least an annual basis when we contact clients.

We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Item 14: Client Referrals & Other Compensation

We do not receive additional economic benefits for providing advisory services beyond those described in Item 12 of this Brochure.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to Registrant in accordance with relevant state statutes and rules.

Registrant does not maintain promoter arrangements/pay referral fee compensation to non-employees for new client introductions.

Item 15: Custody

State Securities Bureaus or their equivalents generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, we have adopted the following safeguarding procedures:

- a) Our clients must provide us with written authorization permitting direct payment to us of our advisory fees from their account(s) maintained by a custodian who is independent of Registrant;
- b) We must disclose to you that it is your responsibility to verify the accuracy of our fee calculation, and that the custodian will not determine whether the fee is properly calculated; and
- c) Your account custodian must agree to send you a statement, at least quarterly, showing all disbursements from your account, including advisory fees.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16: Investment Discretion

Clients have the option of providing Registrant with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, we are authorized to execute securities transactions, which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with Registrant's written acknowledgement.

Item 17: Voting Client Securities

We do not and will not accept the proxy authority to vote client securities. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to Registrant, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, third party money managers selected or recommended by Registrant may vote proxies for clients. Therefore, except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third-party money manager), Registrant and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

Item 18: Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200, per client , six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.