

**Item 1 – Cover Page**

# Trumbower Financial Advisors, LLC

## Disclosure Brochure

Part 2 of Form ADV: Uniform Application for Investment Adviser Registration

March 4, 2024

This Brochure provides information about the qualifications and business practices of Trumbower Financial Advisors, LLC (“TFA”) or “Adviser.” The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. If you have any questions about the contents of this Brochure, please contact us.

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TFA is a registered investment adviser. Registration does not imply any level of skill or training. An adviser’s oral and written communications should be considered in your decision to engage them. Additional information about TFA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The SEC requires that we provide a Summary of Material Changes to our policies, practices, conflicts of interest and other meaningful developments that have occurred since our last update. This Summary is provided to all clients within 120 days of our calendar year-end. Our last annual update was filed on March 1, 2023. Of course, the complete Brochure is available to clients at any time upon request.

No material changes since our last ADV update.

Please contact Elizabeth Lombardi at (301) 215-8340 or [esl@trufinancial.com](mailto:esl@trufinancial.com) to request a copy of our Brochure. It is also available on our website [www.trufinancial.com](http://www.trufinancial.com).

The SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) also provides information about TFA and any affiliated individuals who are registered as investment adviser representatives of the Firm.

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#### **Item 4 – Advisory Business**

- A. TFA is a Maryland Limited Liability Company established in 1996. Victoria M. Trumbower is the sole owner and managing member.
- B. The Firm offers comprehensive financial planning and tax compliance services. As such, we frequently deliver advice that is only marginally related to investments including estate planning, retirement planning, cash flow management, budgeting and tax planning.
- C. TFA uses a five-step investment advisory process. We begin by identifying the client's objectives, risk parameters, liquidity needs and other relevant factors. This typically involves the development and presentation of a long-range personal financial plan. Second, we evaluate the client's existing asset allocation in view of the criteria established in step one. The Third Step is the selection of a theoretically efficient target portfolio allocation within the context and constraints identified in Steps One and Two. In Step Four, the Adviser helps clients determine the most effective methods of implementing their investment policies. Finally, the Adviser and client agree on a suitable schedule and procedures for reviewing portfolio performance and rebalancing.

Background information, the target portfolio mix, strategies to be employed and security selection guidelines including client-imposed restrictions on investing in certain securities or types of securities are articulated in a written Investment Policy Statement ("IPS"). The IPS is a dynamic document which provides specific, personalized information that any adviser would need to implement the client's plan. The IPS does not presume that the client will engage TFA to manage investments.

Supervision of assets held in brokerage accounts over which TFA has discretionary or non-discretionary managerial authority is one alternative clients may choose. If TFA is engaged to execute investment policies, we will implement the target portfolio in accordance with a pre-approved detailed plan.

TFA may also refer clients to brokers or other registered investment advisers for implementation when they may be more suitable. Specific recommendations made by those advisers may be reviewed by the Adviser to assure that they are appropriate and cost effective.

Upon request, TFA may prepare in-depth analysis and evaluations of investment opportunities that are offered to clients by unrelated third parties. Adviser will express an opinion as to the suitability of these prospects by testing them against criteria articulated in the client's IPS and in the context of other facts and circumstances that may subsequently arise. Adviser will also comment on income and estate planning implications as appropriate.

- D. TFA does not participate in wrap fee programs.

- E. Total assets under management (“AUM”) are \$1,657,808,618 as of 12/31/2023. This includes \$145,348,914 in discretionary and \$1,512,459,704 in non-discretionary assets. TFA’s client portfolios often include a Conservative Fixed Income component comprised of individual debt securities that meet strict quality and maturity criteria. TFA must have discretionary authority to purchase securities within pre-approved parameters to effectively manage this portfolio segment.

## Item 5 – Fees and Compensation

- A. TFA is compensated solely by fees for services rendered. Clients may choose to pay for services in one of three ways, and all fees are negotiable:
1. At hourly rates for time spent plus out-of-pocket expenses. Hourly rates may range from \$285 to \$700, depending on the Adviser representative’s level of experience. Hourly rates are subject to change at Adviser’s discretion without prior notice.
  2. For a fixed quarterly or annual retainer. Retainer arrangements apply to general financial planning and tax compliance services when investment management is incidental to the Adviser’s primary role. With very limited exception, annual retainers are offered only in the context of TFA’s participation in an employer-sponsored executive financial counseling program. Billing arrangements are dictated by the employer.
  3. As a percentage of assets under management. The annual rate is determined by the aggregate value of accounts in a client’s “household” at the end of each calendar quarter.

Assets Under Proactive Management	Annual % of Portfolio Value*
Under \$500,000	1.0%
\$500,000 to \$999,999	0.75%
\$1,000,000 to \$4,999,999	0.50%
\$5,000,000 and over	0.30%

\* Rate applicable to management of individual equity securities will be the greater of 0.50% or the rate under normal fee schedule. The percentage applicable to implementation of a CFI ladder will not, generally, exceed 0.30% - as long as total assets under management within a household are valued at \$1 million or more.

Fees may be negotiated depending on the nature of the assets, planning relationships, frequency of review, reporting and rebalancing activities. Clients may choose to exclude specific securities, accounts and/or cash balances from value of assets under management when they are held in accounts under Adviser’s supervision for administrative convenience. Adviser will execute transactions involving these assets as instructed by clients but Adviser will not provide pro-active, day-to-day supervision of excluded portfolio components. Custody, maintenance, transaction and other fees may be charged by other third parties.

- B. Compensation based on hourly rates is payable after services are rendered. Time is generally billed monthly. Retainers are generally billed in accordance with procedures defined by the terms of employer-sponsored financial counseling programs. Fees based on a percentage of assets under management are billed quarterly in arrears. As a convenience, fees will be transferred from client accounts to the Adviser's account after quarterly performance reports and a detailed invoice have been sent to the client. Clients may also choose to remit fees from other resources.

Investment advisory services may be terminated by written notification. Fees based on the value of assets on the effective date of the termination are prorated for the number of days under supervision during the quarter. Since investment advisory fees are never billed in advance, TFA has not established formal refund procedures. In the rare instances of a billing error or negotiated reduction in fees, refunds are either issued in cash or credited against fees for future services, at the client's discretion. All bills are reviewed for accuracy by a manager or the managing member prior to release.

- C. Fees and expenses charged by mutual funds, exchange-traded funds ("ETF") and other pooled investment products that Adviser recommends are paid to managers and sponsors from capital invested and income earned. These costs are disclosed in tables located near the front of the fund's prospectus. IPS documents and other communications with clients about recommended funds include *Morningstar* or similar reports that generally describe and estimate fees. TFA never receives any portion of the fees or expenses paid to mutual funds or other product sponsors.

Additional fees charged by the Custodian include: wire transfer fees; transaction fees on selected mutual funds, publicly traded stocks/exchange traded funds ("ETFs")<sup>1</sup> and options; and account termination fees. Details can be found on our website at [www.trufinancial.com](http://www.trufinancial.com) and in Item 12 – Brokerage Practices.

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

Side by Side Management refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets and others that are assessed on a performance fee basis. TFA does not charge performance-based<sup>2</sup> fees of any kind under any circumstances.

## **Item 7 – Types of Clients**

TFA provides portfolio management and investment advice to individuals, families, small pension and profit-sharing plans, charitable organizations, foundations, trusts, estates and personal service corporations. There are no minimum account size requirements.

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<sup>1</sup> When a transaction exceeds 10,000 shares.

<sup>2</sup> Fee based on a share of capital gains or other measure of return on an account or investment.

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

- A. A client's overall portfolio allocation target evolves as described in Item 4. Adviser considers all assets including those held by related entities and outside accounts. Unless it is determined through the financial planning process or a client represents that capital has a long-term time horizon, a Conservative Fixed Income ("CFI") component will be recommended. The minimum recommended CFI target is typically equivalent to the present value of projected or desired future withdrawals over rolling ten-year periods. After "needs driven" CFI target is achieved, it may be appropriate to invest in a selection of diversified equity securities. Clients should expect variation in the value of all investments. The range of possible outcomes is unpredictable, but the historical level of volatility experienced by securities used to meet a CFI portfolio component is significantly lower than the stock or broad bond markets.

CFI portfolios are comprised of municipal bonds (AA minimum credit rating), brokered FDIC-insured CDs or US Treasury/Agency securities with maturity dates typically staggered in relatively equal proportions from one to four years (maximum 54 months). We develop a taxable equivalent yield table unique to each client. Securities that offer the highest after-tax yield available given a particular client's circumstances are purchased. Securities are intended to be held to maturity but can be sold if unexpected liquidity needs arise.

If liquidity is not needed, redemption proceeds are typically reinvested in securities scheduled to mature in approximately four years. Primary objective is preservation of purchasing power. We do not speculate on the direction of interest rates or compromise credit quality in search of above-market returns. We may, however, shorten the average duration when market interest rates remain significantly below historical norms.

When amounts are insufficient to maintain a diversified ladder or yields on laddered securities are substantially lower than average, short-term managed Fixed Income mutual funds with average credit quality of A-rated or better may be recommended. Adviser also recommends a number of managed Fixed Income funds with slightly longer average duration and somewhat lower average credit quality. These investments may be appropriate for a component of a portfolio with intermediate-term time horizon or after the needs-driven CFI target has been met.

Adviser has concluded that "separately managed accounts" provide no meaningful advantages over mutual funds. They are often more expensive, inconvenient and difficult to replace. The Firm does not maintain any relationships with separate account managers.

With limited exceptions, Adviser encourages clients to participate in stock markets through managed equity mutual funds and unleveraged broad index ETFs.

TFA thoroughly and continuously reviews funds, including index clones, recommended to clients. We recognize that the average active mutual fund manager cannot consistently outperform the “market.” We, therefore, do not expect to hold funds indefinitely. Following are a few of the general guidelines that we consider:

1. Size: Small and Mid Cap Equity funds with assets under \$30 billion (\$7 billion for Small Cap funds). Less of an issue within Large Cap US Equity asset class.
2. Experience: Managers that have consistently followed a well-defined approach for at least five years. Tenure and team approach valued.
3. Performance: Better than average risk-adjusted performance during the last three and five years.
4. Absence of Market Timing: We seek funds that are fully invested – or maintain reasonable, consistent cash balances.
5. Focus: Asset allocation and hybrid funds are most appealing to investors who do not have enough capital to effectively diversify among desired asset classes. Not suitable tools for achieving a target portfolio mix. Similarly, we avoid managers who have a reputation or exhibit tendency to abandon stated objectives in search of recent favorites.
6. Efficiency: Funds and managers with lower expense ratios and lower turnover ratios (when compared to others with the same investment objective) are preferred, but consistent, superior net performance may justify higher ratios.
7. Client Service: Access to managers, transparency and responsiveness – especially during periods of poor performance – are important qualities.

Adviser attempts to focus higher turnover, more aggressive and less tax efficient managed funds within tax-deferred accounts that have a long-term time horizon. Lower cost more tax efficient index ETFs are frequently concentrated in taxable portfolios. CFI ladder may be included in taxable/tax-deferred accounts.

TFA employs a number of strategies for managing concentrated stock positions and for consolidating individual equities into funds or ETFs in a prudent, cost effective manner.

#### Risk of Loss

There is no guarantee that the investment objectives of a particular fund or portfolio will be achieved. Clients must understand that investing in all securities involves risk of loss to



some degree, and they should be prepared to bear it. Mutual funds and brokerage accounts are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The use of pooled investment products significantly diminishes risk of loss due to the bankruptcy of a particular issuer, but prices will fall and clients can lose capital if they are forced to sell following a decline or values do not recover within their time horizon.

B. Types of risk that clients must consider include:

1. Market risk: Markets on which individual underlying fund securities trade may decline across the board. Adverse economic conditions, deflated investor confidence and diminishing liquidity may depress an entire market or segment, regardless of the circumstances surrounding a particular stock or bond.
2. Style risk: Fund managers frequently employ investment selection processes that result in a concentration of stocks exhibiting particular style characteristics. Management styles go in and out of favor over cycles that are not generally predictable.
3. Selection risk: Prospects for success depend on whether an active manager's judgment about the current value and appreciation potential of the companies and industries selected is accurate.
4. Credit risk: The holder of a particular bond may lose money if the issuer or guarantor is unable to make timely principal and interest payments. Similarly, if an investor needs to sell a bond prior to maturity, credit worthiness may affect its price.
5. Interest rate risk: The value of a Fixed Income security moves inversely with market interest rates. As the market rate rises, the price of a bond or CD will fall. The investor is locked into a yield that may become uncompetitive. Fixed Income securities with longer durations are typically more sensitive to interest rate changes. Leads to a higher level of volatility than those with shorter maturities.
6. Covered call option risk: If underlying stock price rises beyond strike price plus premium collected, investor will miss out on this appreciation.
7. Currency risk: Prices of funds holding foreign securities may go down when other currencies decline in value relative to the Dollar.
8. Other Foreign risks: Political instability and lack of reliable information about foreign issuers may enhance the risk of loss when investing in the securities of offshore entities traded on international exchanges.

Adviser considers each client's situation to gauge risk tolerance. Recommendations are designed to minimize risk for capital that has a near-term time horizon and in situations where loss of principal over any period is unacceptable.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose facts regarding any legal or disciplinary events that could have a material influence on your evaluation of Adviser or the integrity of Adviser's management. TFA has no information to disclose under this Item.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Neither TFA nor its Management Persons have any other financial industry activities or affiliations to report. TFA is not affiliated with any other businesses. TFA does not accept commissions, referral fees or "soft dollars"<sup>3</sup> from brokers, fund sponsors or any other supplier of products.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

A. TFA maintains a written Code of Ethics ("Code") that sets forth standards of business conduct required of all employees. The Code establishes guidelines for personal investment and other activities that may create conflicts of interest between employees and our clients. The Code is based on the principle that employees have a fiduciary duty to place the interests of clients above their own. It also references compliance with a strictly interpreted policy prohibiting any form of insider trading. TFA's Chief Compliance Officer enforces procedures for identifying and responding to violations of the Code and related policies. A copy of our Code of Ethics is available upon request to any client or prospective client.

Employees found to have violated the Code of Ethics and trading restrictions are subject to sanctions that may include a letter of reprimand, additional continuing education, suspension or termination. Violations of insider trading policies are subject to additional penalties imposed by Federal or state regulatory authorities, including the revocation of licenses, substantial monetary fines and/or imprisonment.

B. TFA and its related persons have no material financial interests in securities that we recommend or transact in client accounts.

C. TFA does not recommend proprietary securities in which we, related persons or our clients act as principals. TFA may recommend investments to clients that our employees and

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<sup>3</sup>Research products, software tools, travel, dues or fees to attend conferences and meetings offered as remuneration for the recommendation or use of a sponsor's products.

managing member currently own (i.e. stocks, mutual funds, ETFs and fixed income securities). Employee (and household family) trades are continually monitored to ensure compliance with the Code of Ethics and other policies and procedures that are intended to prevent conflicts of interest between TFA and its clients.

- D. Transactions within employee accounts in individual equity securities that are also purchased or sold in client accounts occur only after all scheduled trades have been initiated in client accounts on a given day. If an employee trade is inadvertently executed prior to a scheduled client trade on a given day at a more favorable price than the client received, TFA's CCO will review the transaction to determine if a conflict of interest exists and recommend corrective actions. This may include re-booking trades between employee and client accounts. Corrective action will not be taken if employee had an open limit order pending or client trade was not previously scheduled on a given day.

#### **Item 12 – Brokerage Practices**

- A. When given discretion to select the brokerage firm that will execute orders on behalf of clients, TFA seeks “best execution” by evaluating a number of factors, including, without limitation, quality of execution, services provided and transaction fees. TFA may, therefore, use or recommend the use of custodians who do not charge the lowest transaction fees but provide superior services such as reporting and execution.

As registered investment advisers, TFA must effect transactions through a custodian. Generally, we accomplish this through client accounts established with Fidelity Institutional Wealth Services (“FIWS”). There is no relationship between the investment advice TFA provides and the choice of a custodian, except to the extent TFA might otherwise recommend a mutual fund or type of investment that is not available through FIWS. TFA considered FIWS's limitations and found the company's capabilities well suited to our approach. In rare situations where desirable investment vehicles are not available or competitively priced by FIWS, TFA may refer clients to other institutions for custody and execution.

Fidelity provides services to TFA and its clients such as trade confirmations, statements, pricing information and cash management, including fee transfers from client accounts to TFA's account in accordance with our contractual agreements. Fidelity maintains records of transactions and cost basis as required by the IRS and industry regulators. It provides reports to clients as described in its account agreements. Fidelity requires the use of its proprietary software tools that may be perceived as a source of benefit to Advisers. These are standard services that clients and TFA would expect from any custodian and do not convey any special benefits to TFA. The FIWS platform also offers TFA's clients access to

mutual funds which might otherwise require significantly higher minimum initial investments or are normally available only to institutional investors.

FIWS makes other services available that are intended to help TFA manage and develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. TFA does not accept services from third parties that are subsidized or paid for by FIWS. TFA pays for travel and other incidental expenses incurred as a result of its participation in training and conferences. TFA may read informational publications that are widely distributed by FIWS to its clients but has not and does not intend to engage FIWS to provide consulting or research.

Incidental benefits TFA may receive through its association with FIWS do not depend on the volume of transactions or revenue generated for FIWS by TFA's clients. The value of client assets held in FIWS accounts does give TFA leverage that we have used to successfully negotiate more competitive fees, margin rates and effective service for our clients. This creates an incentive for TFA to continue to recommend FIWS to its clients. TFA compares its arrangements with FIWS to other custodians on a regular basis. While it may be possible to obtain similar services elsewhere at a lower cost, for the time being TFA finds that FIWS is an excellent resource for clients and there is value in avoiding the disruption associated with change.

#### Directed Brokerage

The arrangement that TFA has with FIWS is designed to optimize efficiency and to be cost effective. Economies of scale and levels of efficiency can be diminished when multiple custodians are used. Clients may prefer to direct us to use a particular broker, but it is impractical for TFA to establish full service relationships with custodians solely to accommodate a client's preference. TFA does not currently maintain electronic communications with multiple custodians and cannot, therefore, transmit trades efficiently, provide performance reporting or monitor execution. TFA may establish additional relationships with custodians if we determine that they will offer meaningful benefits to clients. At this time, however, TFA will not enter into an asset-based proactive investment management arrangement outside of the FIWS platform.

Our IPS reports provide information that is intended to facilitate implementation by the client through other Advisers or brokers. If a client wishes to direct brokerage, the client is responsible for negotiating commission rates, fees and other costs paid to the broker. The client is responsible for communicating with the custodian and initiating transactions. TFA will not act as an intermediary or offer any assurance that the client will pay competitive

commissions or receive favorable execution.

As previously noted, TFA does not receive remuneration from the custodian it recommends to clients. We have no reason to maintain a relationship with a custodian if it is not in the best interests of our clients. TFA formally evaluates custodian annually by considering the following factors:

1. Execution Quality - Average execution speed, percentage of shares executed at a price in excess of NBBO<sup>4</sup> and average effective spread are compared to industry standards. The availability of electronic trade entry and effective reporting link is important as well.
  2. Commission Rates and Transaction Fees – Commissions and transaction fees offered to TFA clients are determined by FIWS. TFA surveys other custodians and requests adjustments from FIWS to stay competitive.
  3. Responsiveness - TFA considers its custodian's responsiveness to requests for data, solutions to special client situations, administrative support and problem resolution.
  4. Reputation, financial strength and experience of staff.
  5. Ease of cash movement, transition issues<sup>5</sup>, issue resolution, accuracy, processing times and personal experience with broker.
- B. Our investment philosophy and customized portfolio designs are not conducive to equity block trading. Fixed Income block trades do occur, and securities are subsequently allotted to client accounts as needed to fill proposed allocations. If more than one client portfolio could benefit from securities with precisely the same characteristics and inventory is not sufficient to split a block efficiently, allocation decisions are made on the basis of several factors including:
1. Overall level of suitability. For example, we may allocate securities to clients who will derive higher after-tax returns as a result of their circumstances.
  2. Relative stage of implementation process. We may favor allocation of securities to an account in the initial stages of implementation over an account for which securities were recently purchased or one that is already substantially invested.
  3. If there are no objective factors upon which we can rely, we will allocate inventory randomly.

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<sup>4</sup> National Best Bid and Offer. The best available bid or ask price when executing security transactions.

<sup>5</sup> The ease by which client accounts are transferred into custodian.

### **Item 13 – Review of Accounts**

- A. All managed portfolios are reviewed by an associate and a manager at least quarterly to evaluate performance and suitability in achieving objectives. The performance of major asset class components of the portfolio and specific funds is compared to appropriate benchmarks. Portfolios are reviewed by the Advisers' representatives listed on TFA's Brochure Supplement.
- B. Rebalancing may be recommended for a variety of reasons, including changes in the client's situation or general economic and market trends.

Assets held in employer-sponsored 401(k) plans and deferred compensation arrangements are considered in the quarterly review process and may be reviewed more frequently as TFA assists clients with implementing strategies on these assets.

The Adviser maintains a database of recommended mutual funds and concentrated positions held by clients. If information comes to our attention that may have a material impact on these positions, we review each account containing the affected investments and communicate a recommended course of action to each client.

- C. TFA provides a quarterly performance report to all clients under asset-based proactive investment management arrangements and all other clients who have engaged us to do so. TFA performs monthly account reconciliations to confirm that our performance reporting system is consistent with custodial statements. TFA urges clients to carefully review their statements and compare them to the list of positions presented in our reports. Values may vary from the custodian's statements for a number of reasons including reporting dates or valuation methodologies. TFA maintains documentation explaining any deviation.

Adviser's reports include:

- 1. List of positions, grouped by major asset class, at quarter-end market values – as determined by the custodian – consolidated and for each account.
- 2. Performance history in the form of Internal Rates of Return ("IRR") computed for each quarterly period during the year, year-to-date and annualized inception-to-date – consolidated and for each account.
- 3. Returns are presented for the account/portfolio in the aggregate as well as the five major equity asset classes and fixed income component. The returns achieved by four major equity market indices and the 1-5 year US Treasury index are presented for each period as well.

4. A variety of special reports are available by request.
5. Every performance report is accompanied by a customized written summary highlighting performance that varies significantly from benchmarks or is otherwise noteworthy along with a list of non-urgent recommendations.

#### **Item 14 – Client Referrals and Other Compensation**

TFA does not accept compensation from any source for referrals or for the recommendation of products to clients. This includes economic benefits such as sales awards, prizes or soft dollars. The securities and custodial services we recommend are based solely on our evaluation of their suitability in meeting clients' needs.

#### **Item 15 – Custody**

TFA has authority to debit management fees directly from client accounts. For this reason only, we have assumed "limited" custody of client assets as defined by SEC Rule 206(4)-2 (Custody of Funds or Securities of Clients by Investment Advisers) under the Investment Advisers Act of 1940.

Clients receive monthly statements from custodians for all accounts in which there has been activity over the previous 30 days. At a minimum, custodian's statements are delivered quarterly directly to clients. Statements provided by the custodian list the positions at market value at the end of the period along with all transactions occurring during the period. TFA urges clients to carefully review their statements and compare them to the list of positions presented in our reports. Values may vary from the custodian's statements for a number of reasons including reporting dates or valuation methodologies. TFA maintains documentation explaining any deviation.

TFA receives duplicates (via mail or electronically) of the account statements sent to clients by custodian. TFA has access to interim information about positions and transactions through our agreement with the custodian. TFA transmits instructions and facilitates the submission of account applications or other communications to the custodian on the client's behalf. Deposits are made by checks payable to the custodian or electronic transfers from other institutions.

#### **Item 16 – Investment Discretion**

Except as noted below, TFA offers clients a choice between Discretionary and Non-Discretionary investment management relationships.

Clients grant TFA authority to initiate trades at the outset of the engagement in accordance with the terms and conditions stated in our investment advisory agreement (contract) and the client's agreement with the custodian. Under the terms of a Discretionary agreement, TFA is authorized to choose the securities and amounts that will be bought or sold without the client's

prior express approval. TFA is not authorized to purchase or sell securities without the client's prior approval when operating under a Non-Discretionary arrangement.

In all cases, however, TFA will act strictly in accordance with a particular client's objectives, policies, preferences, restrictions and other factors enumerated in their IPS. Non-discretionary clients must approve a detailed implementation plan prior to transactions taking place. Except as noted below, any deviation from an approved implementation schedule will be communicated to clients in advance.

If the implementation plan includes establishment and maintenance of a CFI portfolio component in the form of "laddered" debt instruments, clients must grant TFA discretion to purchase and/or sell individual bonds, certificates of deposit or other securities without prior express approval. All of the securities managed under such an arrangement will meet credit quality standards and will be consistent with the achievement of a target maturity schedule that the client and TFA have previously agreed upon.

#### **Item 17 – Voting Client Securities**

TFA does not have the authority to, and does not as a matter of Firm policy, vote proxies on behalf of clients or provide proxy voting advice. Clients receive proxies directly from a custodian or transfer agent and are solely responsible for voting.

#### **Item 18 – Financial Information**

There are no financial commitments or circumstances that would impair TFA's ability to meet contractual and fiduciary responsibilities to clients. The Adviser has not sought or received protection from creditors in a bankruptcy proceeding. Therefore, the Adviser has no disclosures applicable to this section.