

**Form ADV Part 2A: *Firm Brochure***

**Barnes Pettey Financial Advisors, LLC**

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This brochure provides information about the qualifications and business practices of Barnes Pettey Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 662-627-2225. 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.

Barnes Pettey Financial Advisors, LLC is a registered investment adviser. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Barnes Pettey Financial Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov/firm/summary/142944](http://www.adviserinfo.sec.gov/firm/summary/142944). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 142944.

## Item 2 Material Changes

This section describes material changes to Barnes Pettey Financial Advisors, LLC's Form ADV Part 2A (Brochure) since its last amendment dated March 20, 2023. This Brochure, dated February 27, 2024, has been prepared according to the SEC disclosure requirements.

Additionally, instead of providing clients with an updated Brochure each year, we provide existing clients with this summary describing any material changes occurring since the last annual amendment. Clients receiving the summary of material changes who wish to receive a complete copy of our then-current Brochure may receive a copy at no charge by visiting our website, [barnespettey.com](https://barnespettey.com), contacting your representative or visiting the SEC's Investment Adviser Public Disclosure website at <https://adviserinfo.sec.gov>, the firm's SEC # 142944.

- There have not been any material changes to this brochure or our services since the last annual amendment.
- Information has been added to this brochure for services with Raymond James and their affiliates that have changed since the last update:
  - See Item 4 Advisory Business – Affiliated Funds. Carillon Tower Advisors, Inc is now doing business as Raymond James Investment Management. References to CTA have been updated to RJIM.
  - See Item 17 Voting Client Securities. Raymond James has enrolled eligible accounts in a Class Action Recovery Service, additional information about this service is available in Raymond James' disclosures.

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## **Item 4 Advisory Business**

### **Description of our Advisory Firm**

Barnes Pettey Financial Advisors, LLC (BPFA) is an SEC registered investment adviser based in Clarksdale, Mississippi. We also maintain branch offices in Grenada and Oxford, Mississippi, and Memphis Tennessee. We are organized as a limited liability company under the laws of the State of Mississippi and we have been providing investment advisory services since 2007. Dudley M. Barnes and Holmes S. Pettey are indirect owners of Barnes Pettey Financial Advisors, LLC.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. We refer to Associated Persons who provide investment advice as an investment adviser representative (IAR) or advisory representative throughout this Brochure. As used in this brochure, the words "we", "our", "our Firm" and "us" refer to BPFA and your IAR. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Certain persons affiliated with our firm are also registered representatives of Raymond James Financial Services, Inc. (RJFS), a registered broker/dealer, member of FINRA/SIPC, and a wholly owned subsidiary of Raymond James Financial, Inc. (RJF). RJFS is also affiliated with Raymond James & Associates, Inc. (RJA), which offers custodial and administrative services to investment advisers. References to Raymond James or RJF throughout this document indicates a combination of companies referenced above and/or that are part of the Raymond James Financial, Inc. family. Barnes Pettey Financial Advisors, LLC is independent of RJF and its affiliates, RJFS and RJA.

### **Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$1,006,597,557 in client assets on a discretionary basis, and \$81,267,799 in client assets on a non-discretionary basis. Additionally, we provide non-continuous advisory services to \$142,142,764 of Assets Under Advisement.

### **Advisory Services**

We provide analysis and recommendations involving a broad range of situations based on your individual needs and circumstances. An important aspect of these services involves giving advice on the selection and management of investments. Based upon your objectives, guidelines and financial circumstances, we may determine that you are suitable for one or more of the following advisory services described below in more detail, portfolio management, financial planning, recommendation of other advisors and investment consulting. Our Firm and our IARs do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

#### Portfolio Management

We provide portfolio management under the following programs administered by RJA. Accounts may be managed on a discretionary or non-discretionary basis according to your objectives. You will be provided with ongoing investment advice and monitoring of your securities holdings.

#### *Ambassador*

The Ambassador program is a wrap-fee investment advisory account, meaning the advisory fee and transaction costs are wrapped into one fee billed to your account quarterly in advance. RJA is both the sponsor and the custodian of the Ambassador program. As the custodian, RJA, deducts the wrap fee

from your account. RJA & RJFS receive a portion of the fee for administrative services. There is a minimum investment of \$25,000 for Ambassador accounts, although a smaller account may be accepted. Fees are negotiable.

Ambassador Fees are retroactive and as follows:

<b>Fee Based Relationship Value</b>	<b>Annualized Fee</b>
Up to \$1,000,000	2.25%
\$1,000,000 to \$2,000,000	2.00%
\$2,000,000 to \$5,000,000	1.75%
\$5,000,000 to \$10,000,000	1.50%
\$10,000,000 and up	1.25%

#### *Passport*

The Passport account is a legacy program that is no longer offered to prospective clients. Accounts are billed an asset based advisory fee quarterly in advance, deducted from the account by the custodian. You may also be billed a fee per transaction (hereinafter referred to as a "Transaction Fee") based on the investment products selected, see below for additional terms and conditions regarding this fee and program. RJA & RJFS receive a portion of the fee for administrative services. There is a minimum investment of \$25,000 for Passport accounts, although a smaller account may be accepted. Fees are negotiable. Passport Fees are retroactive and are not exceed 2.15% annually, please refer to your advisory agreement or speak with your advisory representative for questions about your current fee.

#### *Investment Management Program for Advisory Clients (IMPAC)*

The Investment Management Program for Advisory Clients (IMPAC) is a legacy program that is no longer offered to prospective clients. IMPAC accounts are billed an asset based advisory fee quarterly. The fee is deducted by the custodian and may either be for the current or previous quarter, depending on your agreement with us. You may also pay a Transaction Fee separately, based on the investment products selected, see the terms and conditions below that apply to this fee and program. There is a minimum investment of \$25,000 for IMPAC accounts. Fees are negotiable and are not exceed 1.25% annually. Please refer to your advisory agreement or speak with your advisory representative for questions about your current fee.

#### *Terms and Conditions for Ambassador, Passport and IMPAC*

The following applies to all of the above portfolio management programs, the annual asset-based fee is paid quarterly in advance (billing in arrears may occur in certain legacy account relationships). When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset based fee is paid in advance, it is based on the account asset value on the last business day of the previous calendar quarter and becomes due the following business day. For legacy accounts billed in arrears, the asset based fee is calculated on the account asset value on the last business day of the quarter for the previous quarter.

If cash or securities, or a combination thereof, amounting to at least \$100,000, are deposited to or withdrawn from your account, on an individual business day (in the first two months of the quarter for Ambassador and Passport accounts), Raymond James, will (optional for IMPAC): (i) assess asset based fees on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund pre-paid asset-based fees based on the value of assets on the date of the withdrawal for the pro-rata days

remaining in the quarter. For Ambassador and Passport accounts, no additional asset-based fees or adjustments to previously assessed asset based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by you. Other fees adjustments may be made at our or RJFS' sole discretion based on, but not limited to, factors such as the source and destination of deposits and withdrawals.

You authorize and direct RJA as custodian to deduct asset-based fees from your account; you further authorize and direct the custodian to send a statement of securities, in custody, at least quarterly to you which show all amounts disbursed from your account, including fees paid to us. The brokerage statement will show the amount of the asset-based fee.

For purposes of calculating and assessing asset-based fees, we use the term "Account Value", which may be different than the asset value as reported on brokerage statements provided by RJA. Pursuant to our advisory agreement, Account Value is defined as the total absolute value of the securities in the account, long or short, plus all credit balances, with no offset for any margin or debit balances.

You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

You may terminate the client agreement at any time upon providing written notice pursuant to the provisions of the agreement. There is no penalty for terminating your account. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not utilized for accounts billed in advance. For accounts billed in arrears, you may be charged a fee pursuant to the number of days the account was managed for the current quarter.

#### *Terms and Conditions for IMPAC and Passport*

The following applies to these legacy programs, the asset-based fees associated with the IMPAC and Passport account include all execution and clearing charges except: (1) certain dealer-markups and odd lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934 and any other charges imposed by law with regard to any transactions in the account; (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus; and (3) Transactions Fees (described below).

There is nominal Transaction Fees of \$15.00 per transaction in lieu of a commission for each transaction, with the exception of certain Non-Partner Mutual Fund purchases described below.

Select fund companies, "Participating Funds", have agreed to pay Raymond James administrative fees. For certain mutual fund purchases, Raymond James may use such fees to credit back the Transaction Fee charged to clients' accounts, as required by applicable law. Select fund companies have agreed to pay marketing service and support fees to Raymond James, "Partner Funds". "Non-Partner Funds" do not participate in Raymond James' Education and Marketing Support program. Transaction Fees are charged to a client's account for purchases of Partner and Non-Partner Funds.

The Transaction Fee for Non-Partner Fund purchases (excluding those Non-Partner Fund purchases made in non-taxable accounts, e.g. ERISA Plans, IRAs, and certain other tax-deferred vehicles, which will be subject to the \$15.00 fee noted above) is \$40.00. Please note that funds may change their Participating, Partner or Non-Partner status at any time; you should consult with your IAR to verify the

funds' status periodically. There are no Transaction Fees for mutual fund redemptions. Additional information is available on Raymond James website here <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/mutual-fund-revenue-sharing>.

#### *Other Compensation Considerations in Managed Accounts*

- Administrative-Only Assets

Certain securities may be held in the client's Ambassador, Passport, and/or IMPAC Account and designated "Administrative-Only Investments." There are two primary categories of Administrative-Only Investments: Client-designated and Raymond James-designated. Client-designated Administrative-Only Investments may be designated by financial advisors that do not wish to collect an advisory fee on certain assets, while Raymond James-designated Administrative-Only Investments are designated as such by Raymond James in conformance with internal policy. For example, a financial advisor may make an arrangement with a client that holds a security that the financial advisor did not recommend, or the client wishes to hold for an extended period and does not want their financial advisor to sell for the foreseeable future. In such cases the financial advisor may elect to waive the advisory fee on this security but allow it to be held in the client's advisory account – such designations fall into the Client-designated category. Alternatively, Raymond James may determine that certain securities may be held in an advisory account but are temporarily not eligible for the advisory fee (such as for mutual funds purchased with a front-end sales charge through Raymond James within the last two years and Primary Market Distributions including, new issues and syndicate offerings). Assets designated by Raymond James as temporarily exempt from the advisory fee fall into the Raymond James designated category.

The following chart illustrates which Ambassador, Passport, and IMPAC account types permit the use of Client-Designated and Raymond James-Designated Administrative-Only Investments:

<u>Account Type</u>	<u>Client-Designated</u>	<u>Raymond James-Designated</u>
Non-discretionary (all)	Permitted	Permitted
Discretionary/Non-retirement	Permitted	Permitted
Discretionary/Retirement	Not Permitted	Permitted

PLEASE NOTE: The designation of Client-designated Administrative-Only Investments and the maintenance of such positions in the client's account are not permissible in discretionary Ambassador, Passport or IMPAC retirement accounts (such as IRAs and employer sponsored retirement plans). The underlying premise of this prohibition is that the maintenance of assets in a discretionary Ambassador, Passport or IMPAC retirement account that is not being assessed an advisory fee introduces a conflict that the financial advisor's advice may be biased as a result of their not being compensated on this asset. As a result, the financial advisor may recommend a course of action in their own interest and not the client's best interest (such as selling the security to increase the financial advisor's compensation). Raymond James has elected to preserve the ability for clients and their financial advisors to designate assets as Client-designated Administrative-Only in their taxable and non-discretionary Ambassador, Passport or IMPAC retirement accounts in order to maintain client choice and avoid the need to maintain a separate account to hold these securities or cash.

Administrative-Only Investments will not be included in the Account Value when calculating applicable asset-based advisory fee rates. For example, a client whose Ambassador account holds \$750,000 of cash and securities that includes \$150,000 of Administrative-Only Investments will only have the asset-based fee rate assessed based on the \$600,000 Account Value. For clients with multiple fee-based accounts,

the Relationship Value will be used to determine the applicable fee rate that will be assessed. However, clients should understand that any assets held as Administrative-Only Investments will not be included in the Relationship Value.

- *Asset-Based Fee Aggregation*

Participants in the Ambassador, Passport and IMPAC programs may be entitled to a discounted asset-based fee if they maintain one or more related accounts within these programs.

Related Accounts are accounts of an individual, his or her spouse, and their children living in the same household. The term includes individually owned accounts, individual retirement accounts (IRAs), self-directed accounts (i.e., directed by individual participants) under an employee benefit plan (ERISA plan) and ERISA plan accounts in which an individual is the sole participant. Thus, related accounts of the Ambassador, Passport and IMPAC programs may be aggregated for advisory fee purposes, so that each account will pay a fee that is calculated on the basis of the total of all related accounts. It is your responsibility to include all related accounts for purposes of qualifying for an aggregated account fee discount. While we may attempt to identify related accounts, we will not be held responsible for failing to consider any related accounts not listed by you.

You should understand that combining related accounts effectively acts as a discount to the standard program fee schedule by allowing you to achieve a lower fee as your Relationship Value increases. As a result, it is important for you to consult with your financial advisor, as factors other than the social security number or tax identification number may be considered by the financial advisor when combining accounts for fee billing purposes. For example, a spouse or domestic partner, their children or other relatives' accounts may be combined based on their collective relationship with their financial advisor. Please note that Raymond James may be limited in its ability to combine a client's retirement accounts where a prohibited transaction under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code may result.

Clients that negotiate a reduced asset-based fee with their financial advisor should understand that this discounted rate will be applied until otherwise renegotiated or until the aggregate Relationship Value of their combined fee-based accounts reaches a level that would qualify for the reduced retroactive rate under the applicable program fee schedule. That is, the negotiated discount rate would be applied until the applicable program fee schedule breakpoint would result in a lower fee.

- *Billing on Cash Balances*

RJA will assess advisory fees on cash sweep and foreign currency balances ("cash") held in Ambassador, Passport and IMPAC accounts. If the cash balance exceeds 20% of the Account Value as of the last business day of the quarter (the "valuation date") for three (3) consecutive quarterly valuation dates, the amount in excess of 20% is excluded from billing. For example, an Ambassador account that held 30% of the Account Value for three (3) consecutive billing valuation dates (March 31st, June 30th, and September 30th) would have the amount in excess of 20% excluded from the Account Value in which advisory fees are applied. For simplicity of illustration, assuming an account was valued at \$100,000 for all three (3) quarterly billing periods, with \$30,000 held in cash, the September 30th valuation date would exclude \$10,000 of the cash from the Account Value when assessing the advisory fee.

This fee billing provision (or "Cash Rule") is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided; the exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual



Account Value) for an extended period of time. Clients should understand that the portion of the account held in cash will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash sweep balance.

The Cash Rule may pose a financial disincentive to a financial advisor as the portion of cash sweep balances in excess of 20% will be excluded from the asset-based fee charged to the account. This may cause a financial advisor to reallocate a client account from cash to advisory fee eligible investments, including money market funds, or to recommend against raising cash, in order to avoid the application of this provision and therefore receive a fee on the full account value. Clients may direct their financial advisor to raise cash by selling investments or hold a predetermined percentage of their account in cash at any time. The Cash Rule is applicable only to cash sweep and foreign currency balances and, therefore, non-sweep money market funds would not result in excess “cash” balances being excluded from the asset based advisory fee calculation.

Cash balances are generally expected to be a small percentage of the overall account value, as determined by the SMA/UMA Managers, in the American Funds, EHNW, Freedom and RJCS managed accounts and therefore these accounts are not subject to the Cash Rule.

- *Investment of Cash Reserves*

RJA has established a system in which cash reserves “sweep” daily to and from your investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered your sweep account. The sweeps options available will vary depending on account type. Please refer to the “Cash Sweep Program” section in the “Important Client Information” Brochure received from Raymond James, a current copy of which is available from your financial advisor, or you may visit the Raymond James public website for additional information: <https://www.raymondjames.com/legal-disclosures>.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation (FDIC) and SIPC). The custodian may change, modify or amend an investment option at any time by providing the client with thirty days advance written notice of such change, modification or amendment. Clients selecting the Raymond James Bank Deposit Program (RJBDP) option are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of client deposits at any of the Banks.

Raymond James Bank and the interest rate it offers through the RJBDP may differ from the yield on the Client Interest Program (CIP), but Raymond James Bank generally earns more than the interest it pays on such balances. Raymond James generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by Raymond James is in addition to the asset-based fees that Raymond James receives from these accounts. Where an unaffiliated third-party acts as custodian of account assets, the client and/or the custodian will determine where cash reserves are held. Additional information about the various cash sweep programs available can be found on the

Raymond James public website at: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps>

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are transferred automatically on a daily basis to the client's cash sweep account. When securities are sold, funds are deposited on the day after the settlement date. Funds placed in a client's account by personal check usually will not be transferred to the sweep account until the second business day following the day that the deposit is credited to the client's investment account. Due to the foregoing practices, Raymond James may obtain federal funds interest rate prior to the date that deposits are credited to the client's investment account and thus may realize some benefit because of the delay in transferring such funds to their interest-bearing cash sweep account.

- *Additional Expenses Not Included in the Asset-Based Advisory Fee*

You may also incur charges for other account services provided by Raymond James not directly related to the advisory, execution, and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, charges/interest for maintenance of margin and/or short positions, and fees for legal or courtesy transfers of securities.

BPFA makes its best effort to invest in the lowest cost share class available on the Raymond James platform when investing in mutual funds. From time to time, the best available share class is a class that pays a 12b-1 fee. BPFA has a policy that 12b-1 fees be credited back to the customers' advisory accounts (qualified and non-qualified) when paid to advisors on assets that can be charged an advisory fee. BPFA and your representative will retain the 12b-1 fees from mutual funds that are not eligible for advisory fee billing. See the chart in the "Administrative-Only Assets" description in the *Advisory Business* section above.

You should understand that the annual advisory fees charged in the Ambassador, Passport and IMPAC programs are in addition to the management fees and operating expenses charged by open-end and closed-end mutual funds, which are assessed by the fund directly. To the extent that you intend to hold mutual fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of these programs. You may be able to purchase mutual funds directly from their respective fund families without incurring an advisory fee, or where applicable, Transaction Fees. When purchasing directly from fund families, you may incur a front or back-end sales charge.

You should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds to deter "market timers" who trade actively in fund shares. You should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, may increase the overall cost to you by 1%-2% (or more). More information is available in each fund's prospectus.

You should be aware that exchange traded funds (ETFs) incur a separate management fee, typically 0.20%-0.40% of the fund's assets annually (although individual ETFs may have higher or lower expense ratios), which is assessed by the fund directly. This management fee is in addition to the ongoing advisory fee assessed us, and will generally result in clients which utilize an SMA Manager or Investment

Strategy that invests in ETFs paying more than clients utilizing one that does not invest in ETFs, without taking into effect negotiated asset-based fee discounts, if any.

Certain ETFs may be classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Prospective or existing RJCS, EHNW or Freedom clients should consult their tax adviser for additional information regarding the tax consequences associated with the purchase, ownership and disposition of such investments. Additional information is also available in the ETF prospectus, which is available upon request.

Alternative Investments refers to securities products that serve as alternatives to more traditional asset classes and may include investment products such as hedge funds, private equity funds, private real estate funds and structured products. Advisory representatives that are also registered representatives of RJFS may offer you a wide range of alternative investments. It is important for you to work with our Company to evaluate how a particular alternative investment and its features fit your individual needs and objectives. An important component of the selection process includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help you make an informed choice.

As part of the review process, you should consider the fees and expenses associated with a particular alternative investment, along with the fact that advisory representatives that are also registered representatives of RJFS receive compensation related to any such purchase. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments. We will answer any questions regarding the applicable fees and expenses and the initial and ongoing compensation.

While each investment will differ in terms of both total fees and expenses and how those fees and expenses are calculated, the following section will discuss the primary categories of fees and expenses that are common to many alternative investments and the different ways that our firm and advisory representatives that are also registered representatives of RJFS may be compensated.

- *Management Fees:* The manager for any particular investment will often charge a management fee that is based on the total value of your investment. As the value of your investment increases, the total management fees that a manager receives may increase. As the value of your investment decreases, the total management fees that a manager receives may decrease. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds. Advisory representatives that are also registered representatives of RJFS may share in a portion of management fees to which an investment manager is entitled.
- *Incentive based compensation:* Many alternative investment managers receive incentive-based compensation in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of profits generated for clients. Fees related to incentive compensation are often referred to as incentive/performance-based fees or carried interest. It is important to note that these fees are in addition to management fees that are charged by the manager and that the exact calculation of incentive fees or carried interest differs by product and manager. Advisory representatives that are also registered representatives of RJFS may share in any incentive-based compensation to which an investment manager is entitled.
- *Upfront or ongoing servicing fees or placement fees:* Many alternative investments have upfront costs directly related to compensating advisory representatives that are also registered

representatives of RJFS. These fees are generally based on the total amount of your investment. Additionally, there may be ongoing fees, based on value of your investment, that are directly related to compensating advisory representatives that are also registered representatives of RJFS.

- *Redemption fees:* Some investments may have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors.

Alternative investment strategies may be accessed through a variety of legal structures, including mutual funds, limited partnerships and limited liability companies. In certain structures, particularly for new offerings, investors may incur organization and offering expenses that are related to the creation of the legal structure and marketing of the product. These costs ultimately serve to decrease the amount of the client's investment. Additionally, investors may incur other expenses based on the investment activity of the fund. For instance, in a real estate fund, investors may be charged fees related to the acquisition of a property. In a hedge fund that shorts stock, there are costs associated with establishing and maintaining the short position. Lastly, investors in alternative investments generally bear the cost of certain ongoing expenses related to administration of the product. These expenses may include costs related to tax document preparation, auditing services or custodial services.

Alternative investments often have limited liquidity, intermittent pricing and values based on appraisal-based pricing versus market-based pricing. Additionally, if an alternative investment is reflected on your statement, the value reflected is often an estimate subject to revision by the investment manager. One or a combination of these issues impact the value on which you are charged when your investment is eligible for asset-based advisory fees. We will typically only assess an advisory fee on alternative investment products that are priced at least quarterly and are not assessed an upfront commission or sales load upon initial investment. Conversely, alternative investment products not eligible for the asset-based advisory fee typically price less frequently than quarterly and/or have an upfront commission or sales load assessed upon the initial investment; such investments will be designated as Administrative-Only assets. You may hold one or more of these Administrative-Only products in your Ambassador, Passport and IMPAC account, but no asset-based advisory fee will be assessed as long as they are held in an Ambassador, Passport and IMPAC account.

You should also understand that certain no-load variable annuities may be offered in the Passport, IMPAC and/or Ambassador programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

You should understand that certificates of deposit (CDs) from Raymond James Bank may be purchased with a commission, in the Ambassador, Passport and IMPAC programs. These CDs are considered non-billable assets for one year.

You should also understand that more sophisticated investment strategies such as short sells and margins may be offered in the Ambassador, Passport and IMPAC programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved. In the cases where margin

debit interest is charged to your account, advisory representatives that are also registered representatives of RJFS may receive a portion of the interest charged as a Controlled Asset Fee, presenting a potential conflict of interest.

Your total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include your ability to:

- obtain the services provided within the programs separately with respect to the selection of portfolio securities and other investments,
- invest and rebalance the selected mutual funds without the payment of a sales charge, and
- obtain performance reporting comparable to those provided within each program.

When making cost comparisons, you should be aware that the combination of multiple mutual fund investments, advisory services, and custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or you otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or you otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

Further information regarding fees assessed by a mutual fund, variable annuity or UIT is available in the appropriate prospectus, which you may obtain upon request.

The mutual funds and ETFs available in the programs often may be purchased directly. Therefore, you could avoid the second layer of fees by not using the investment advisory account and making your own decisions regarding the investment.

You should be aware that only those mutual fund companies which RJFS has a selling agreement with will be available for purchase within the Ambassador, Passport and IMPAC programs, and are generally limited to those fund companies that provide RJFS and its affiliates marketing service and support fees. As a result, not all mutual funds available to the investing public will be available for investment. However, RJFS has selling agreements with over 300 fund companies, offering over 9,000 separate mutual funds for potential investment.

If you are considering transferring mutual fund shares to or from RJFS you should be aware that if the firm from or to which the shares are to be transferred does not have a selling agreement with the fund company, you must either redeem the shares (paying any applicable contingent deferred sales charge and potentially incurring a tax liability) or continue to maintain an investment account at the firm where the fund shares are currently being held. You should inquire as to the transferability, or “portability”, of mutual fund shares prior to initiating such a transfer.

- *Networking and Omnibus Fees (Sub-Accounting, Sub-Transfer Agency and Administrative Fees)*

Mutual fund companies with mutual funds electronically linked or “networked” with a broker-dealer’s account system or with mutual funds available through a broker-dealer’s account programs often reimburse broker-dealers for a portion of their account servicing and administrative costs, which may include accounting, statement preparation and mailing, tax reporting and other shareholder services. Mutual fund companies may also pay Raymond James for maintaining an omnibus account on behalf of a particular mutual fund company, and that mutual fund company will pay Raymond James to provide

various services related to investor accounts, including, but not limited to, processing dividend payments and distributions, recordkeeping, and processing purchase and redemption orders.

Networking and omnibus accounting are services that enable data sharing between Raymond James and mutual fund providers and/or their transfer agents. Raymond James currently receives payments from mutual fund companies for networking and omnibus services that generally take the form of per account charges, a percentage of assets under management, or flat dollar payments. The total amount of such payments may be up to 0.20% of total assets under management. These fees are not applicable with respect to ERISA plan assets and certain fee-based retirement accounts. For a list of fund companies that have agreed to pay Raymond James networking and omnibus servicing fees, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/networking-and-service-partners>

You may also receive a hardcopy of this list by contacting your financial advisor, or by contacting Raymond James Asset Management Services by phone at (800) 248-8863, extension 74991. For a list of fund companies that do not pay Raymond James networking and omnibus servicing fees, please visit: <https://www.raymondjames.com/legal-disclosures/packaged-product-disclosures/mutual-fund-investing-at-raymond-james/non-networking-and-service-partners>

- Shareholder Servicing Fees

Mutual fund companies will also pay Raymond James fees to provide shareholder liaison services to you. These shareholder services may include responding to your inquiries and providing information on your investments. Raymond James may receive these shareholder services fees in amounts not to exceed 0.25% annually of the assets invested in a particular mutual fund.

- Education Fees - Retirement Programs

Raymond James also receives annual fees of up to \$25,000 from each mutual fund company for providing education, marketing and sales support services for certain employer-sponsored retirement plans.

- Affiliated Funds

Raymond James makes available to its clients a variety of mutual funds advised or offered by Carillon Tower Advisers, Inc. dba Raymond James Investment Management (RJIM), a wholly owned subsidiary of Raymond James Financial, Inc. (RJF). In addition to the fees described above, Raymond James receives additional revenue in connection with the sale of RJIM mutual funds because it receives compensation for providing these affiliated mutual funds with investment advisory, administrative, transfer agency, distribution and/or other services that Raymond James may not provide to unaffiliated mutual funds. Payments to Raymond James and its affiliates made by mutual funds advised or offered by RJIM may be terminated, modified or suspended at any time. Raymond James financial advisors and branch managers do not receive additional compensation or other cash or non-cash incentives for recommending mutual funds (or any particular class thereof) advised by RJIM.

- Buying Securities on Margin and Margin Interest

When clients purchase securities, they may either pay for the securities in full or borrow part of the purchase price from Raymond James. Clients that choose to borrow funds for purchases must open a margin account with Raymond James, upon approval based on the firm's analysis of, among other things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are the firm's collateral for the margin loan. If the securities in the client's account

decline in value, so does the value of the collateral supporting the margin loan, and as a result, Raymond James may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity.

It is important that clients fully understand the risks involved in trading securities on margin (including selling short). Upon approval, where applicable, clients will receive a Truth In Lending Statement from Raymond James disclosing such risks, as well as, explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. Clients should understand that the extension of credit by Raymond James to clients will appear as a debit balance on the monthly brokerage statement.

While the value of the margined security will appear as a debit, clients with a margin balance in an account(s) in the IMPAC or Passport account programs will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. With respect to short sales, the client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale.

As a result of the foregoing, the client's financial advisor and Raymond James may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended (including selling short). In the event of such margin credit extension, the costs incurred by the client, as well as the compensation received by the client's financial advisor and Raymond James, will generally increase as the size of the outstanding margin balance increases.

Clients that purchase securities on margin should understand: 1) the use of borrowed money will result in greater gains or losses than otherwise would be the case without the use of margin, and 2) there will be no benefit from using margin if the performance of their account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin.

- Short Sales

When executing short sales, you should be aware that RJA receives compensation for maintenance of the short position, which is in addition to the asset-based advisory fee. This compensation is generally calculated on a daily basis as a percentage of the current market value of the security sold short. Three of the major variables that impact the amount of the fee RJA retains, as well as the transparency of the fee on your statement are: 1) availability of the security RJA; 2) the current interest rate environment in the U.S.; and 3) the availability of the security based on the supply and demand of loanable securities in the market.

When you borrow a security which RJA can lend from its own inventory or its available customers' securities holdings, RJA generally retains all of the fees generated by that loan. In a higher interest rate environment, this fee may not be transparent to you because it may not be charged directly to your account. In such instances, the fee is retained from the return generated by the investment of the collateral posted for the transaction (such as short sale cash proceeds). In the case of a limited supply of a loanable security and/or a lower interest environment, the interest earned on the invested cash collateral may not be sufficient to cover the fee; in this case RJA may directly charge the fee to your account until the borrowed balance is closed.

In cases where RJA has no available supply of loanable securities, RJA may borrow the security from another firm. In these cases, you will be charged a fee to cover the borrowed securities, and RJA and the firm which lent the securities will generally split this fee. As above, in a higher interest rate environment this fee may not be transparent to you because the fee is retained from the return generated by the investment of the collateral posted for the transaction and not charged directly to the account. Alternatively, where the interest earned may not be sufficient to cover the fee, RJA may directly charge the fee to your account until the borrowed balance is closed; a portion of that fee is passed from RJA to the firm from which the securities were borrowed.

### Financial Planning Services

We engage in broad based and consultative financial planning services for a fee. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to you regarding the management of your financial resources based upon an analysis of your individual needs. Financial planning services may encompass such areas as financial and cash flow statements, personal budgets, estate taxes, educational needs of dependents, life insurance needs, income tax analysis, investment analysis, disability analysis, charitable giving, employee benefits analysis and retirement plan objectives.

The process typically begins with a complimentary introduction meeting during which the various services we provide are explained. If you decide to engage us for financial planning services, we will collect pertinent information about your personal and financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Once such information has been reviewed and analyzed, a written financial plan designed to achieve your stated financial goals and objectives will be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets and liabilities in meeting your financial goals and objectives.

In some circumstances, Clients may only require advice on a single aspect of the management of their financial resources. For these Clients, we offer general consulting services that address only those specific areas of interest or concern.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

We charge a negotiable fixed fee for broad based financial planning services ranging between \$750 and \$3,000. An estimate of the total cost will be determined at the start of the advisory relationship. A deposit of 50% of the total estimated fee will be due in advance and the remainder will be due upon completion of the services rendered, or as invoiced. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and may request that you approve the additional fee. We charge a non-negotiable hourly rate of \$200 for consultative financial planning which shall be due and payable upon completion of the agreed upon services, or as invoiced.

In providing financial planning services, we may recommend our services and/or our Associated Persons services in their separate capacity as licensed insurance agents and/or registered representatives of Raymond James Financial Services, Inc. A conflict of interest exists when we make such



recommendations. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the recommendations through any of our other investment advisory services or any Associated Persons of our firm. Moreover, you may act on our recommendations by placing securities transactions with the brokerage firm of your choice. Refer to *Item 5 Fees and Compensation* below for additional disclosures on this topic.

Either party may terminate the financial planning agreement upon 15-days written notice to the other party. In the event of termination, you will receive a pro rata refund or will be charged for the portion of work we have performed through the date of termination. At no time will we charge clients more than \$1,200 and six or more months in advance.

#### Investment Consulting Services

We will provide investment consulting services to individuals, businesses and company retirement plans and their fiduciaries based upon an analysis of the needs of the client. For individuals and businesses, these services may include investment reviews and recommendations. For retirement plans, services may include an existing plan review, formation of an Investment Policy Statement, evaluation of existing vs. other alternatives, evaluation of plan vendors, initial creation of or advice on model portfolios, plan participant enrollment and education, performance reporting of plan assets and reviews of model portfolios on at least an annual basis and annual due diligence reviews on third party money managers. We may also provide individualized investment advice to plan participants on an as needed basis only as requested by the participant. Such investment advice shall consist only of asset allocation recommendations, upon request of the plan participant, and it shall be the participant's responsibility to implement any such recommendations.

Fees for consulting services are negotiated on a case-by-case basis pursuant to an agreement between our firm and the client or retirement plan vendor. Such fees may be due and payable quarterly in arrears or advance based upon the value of the assets at the end of the quarter. The fees and terms will be clearly set forth in the executed agreement for services. In the event we provide individual investment advice to plan participants, we charge a negotiable flat percentage, per annum, due and payable quarterly in arrears which shall be based on a percentage of the market value of the assets in the participant's account at the end of the quarter.

We will either invoice you directly for payment of our fees or request payment from the qualified custodian holding your funds and securities if you have provided written authorization permitting the fees to be paid directly from your account(s). We will not have access to your funds for payment of fees without your prior consent in writing. Further, the qualified custodian agrees to deliver a quarterly account statement directly to you, or your independent representative, showing all disbursements from your account. You are encouraged to review your account statement(s) for accuracy.

Generally, accounts to whom we provide retirement plan consulting services are regulated under the Employee Retirement Income Securities Act (ERISA). We will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as we recommend. In all cases, the plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

Either party may terminate the consulting agreement by providing 30-days written notice to the other party. Fees will be prorated to the date of termination and are due and payable.

### Recommendations of Third Party Advisers

We may refer clients to Third Party Advisers for investment management services. Third Party Advisers may be affiliated with Raymond James & Associates who is an affiliate of Raymond James Financial Services. We will share in the fee charged by the Third Party Advisers. Given the affiliation and shared fees, there is a potential conflict of interest in that we may have an incentive to recommend these Third Party Advisers over other Third Party Advisers. Clients who are referred to Third Party Advisers will receive a brochure which describe the services, fees and other relevant information of the adviser.

### *Delta Asset Management*

We may refer you to Delta Asset Management (Delta), an unaffiliated entity, to manage all or a portion of your accounts which require a value based investment objective. We monitor the performance of Delta, for the benefit of our clients. We charge you a negotiable fee ranging between 0.50% to 0.75% of the assets under management, which fees are separate and apart from the fees charged by Delta. Delta will charge you an additional fee, subject to negotiation, that ranges between 0.80% and 1.00% of the assets under its management. Delta does not have a minimum account balance. You should refer to the brochure for Delta Asset Management for further information on the services, fees and other relevant information about their services.

### *Raymond James Consulting Services*

As sponsor of the Raymond James Consulting Services (RJCS) SMA program, RJA enters into a sub-advisory agreement with select investment advisers registered with the SEC (SMA Manager(s)), which includes SMA Managers affiliated with RJF. These SMA Managers' services are made available to clients based on AMS's familiarity with the SMA Managers' firm, portfolio management personnel, investment disciplines offered, portfolio construction and AMS's overall belief that the participation of these SMA Managers in the program will provide prospective clients access to high quality investment firms. RJCS has a minimum balance of \$100,000 to \$1,000,000 dependent on the selected strategy. For further information on Raymond James Consulting Services, please refer to the RJA Wrap Fee Program Brochure available on their website under Legal Disclosures, <https://www.raymondjames.com/legal-disclosures>.

### *Freedom*

The Freedom Account is an investment advisory account which allocates your assets, through discretionary mutual fund or exchange traded fund (ETF) management, based upon your financial objectives and risk tolerances. You appoint RJA as your investment adviser to select the representative funds and monitor their performance on a continuing basis. Your IAR receives a portion of the fee for services provided under the agreement. Freedom has a minimum balance of \$5,000 to \$25,000 dependent on the selected strategy. For further information, refer to the RJA Wrap Fee Program Brochure available on the Raymond James website under Legal Disclosures.

### **Types of Investments**

We primarily offer advice on mutual funds and ETFs. When suitable, we generally recommend no load mutual funds. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## **Item 5 Fees and Compensation**

Refer to *Item 4 Advisory Business* in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer. Our advisory fees and the fees

described below may be higher or lower than if the services were received together or separately from another firm or firms.

### **Additional Fees and Expenses**

As part of our investment advisory services to you we may recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to *Item 12 Brokerage Practices* in this Disclosure Brochure.

We may trade client accounts on margin. Each client must sign a separate margin agreement *before* margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **Compensation for the Sale of Securities or Other Investment Products**

As disclosed above, persons providing investment advice on behalf of our firm are registered representatives with RJFS, a securities broker-dealer, and a member of FINRA and the SIPC. In this capacity, these individuals receive normal and customary commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Associated Persons of our firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products.

Compensation these employees earn from these services, provided by RJFS and insurance agencies, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm have an incentive to recommend investment and insurance products for the commissions rather than solely based on your needs; however, BPFA strives to, at all times, place your interests first when making recommendations. Moreover, you are under no obligation, contractually or otherwise, to purchase these products or services through any person affiliated with our firm.

**As noted in *Item 4 Advisory Business* above, when an advisory account holds a fund that pays 12b-1 fees and the fund is also billable for advisory fees, the 12b-1 fees will be credited back to the customers' account(s) (qualified and non-qualified).** Individuals providing advice on behalf of our firm will retain the 12b-1 fees from mutual funds that are not eligible for advisory fee billing. See the sections in *Item 4* above describing "Administrative-Only Assets" and "Additional Expenses Not Included in the Asset-Based Advisory Fee" for additional information on fees that may be credited back and

processes that have been implemented to avoid clients being assessed both a load or commission, and an advisory fee on the same asset.

### **IRA Rollover Considerations**

If you have employer-sponsored retirement plan assets, you may have several choices as to what to do with your assets when you retire or change jobs. Providing education to a client or prospect on the rollover of employer-sponsored retirement plan assets could include discussion of the following general educational topics:

- General options that may be available to a person in the prospect/client's situation (e.g., remaining in the employer-sponsored retirement plan if the plan permits, rolling to a new workplace retirement plan if one is available, rolling to an IRA, or taking out a cash distribution).
- General information about the significant features of each option.
- Factors the prospect/client may want to consider in assessing those options.

Upon your request, we will review your retirement account(s) with you and provide general education about your options. We are fiduciaries under the Investment Advisers Act of 1940. The Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, are additional laws governing retirement accounts. As a fiduciary, we must act in your best interest and not put our interest ahead of yours. However, we have a financial incentive for you to rollover an IRA because of the compensation we receive when you transfer funds from an employer-sponsored retirement plan or from another IRA, this creates a conflict of interest. If you decide to open a brokerage or advisory account, we will be paid on those assets, through commissions or advisory fees. You should be aware that any commissions or advisory fees charged likely will be higher than those fees you paid through your employer-sponsored retirement plan, and there can be additional expenses associated with the account. You have no obligation to implement a rollover; and if you do decide on a rollover, you have no obligation to utilize our services.

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

We do not have any performance-based fee arrangements. Side-by-side management refers to a firm managing accounts that are charged performance-based fees and, at the same time, managing other accounts that are charged fees as a percentage of assets under management. We do not manage accounts that are charged performance-based fees therefore we do not have side-by-side management.

### **Item 7 Types of Clients**

We offer investment advisory services to individuals, retirement and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. As previously disclosed in *Item 4 Advisory Business*, our firm has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service. For most accounts this minimum is \$25,000, but the minimum may be waived depending on circumstances.

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

#### **Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or strategies when providing investment advice to you:

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, by looking at economic and financial factors, including the overall economy, industry conditions, and the health of the company itself, financially. This data is used to measure the intrinsic value of the company's stock compared to the current market value to determine if it is a good time to buy or sell.
- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- **Long Term Purchases** - a strategy where securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - a strategy where securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- **Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Option Writing/Trading** - a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

#### **Risks Associated with Methods of Analysis and Investment Strategies**

**Fundamental Analysis** - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical Analysis** - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Margin** - Margin accounts present special risks because you can lose more money than you deposit in your account. Additionally, the custodian can force the sale of securities in your account and can sell securities without contacting you.

**Options** - Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

#### **Investment Strategy and Tax Disclosures**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the

management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets to determine which accounting method is the right choice for you. If your tax advisor believes one accounting method is more advantageous than another, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as tax law requires that the cost basis method remain unchanged after settlement.

### **Risk of Loss**

Investing involves risk, including loss of principal, that you should be informed about and discuss with your representative. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks are not all-inclusive but should be considered carefully before retaining our services:

- **Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price, or it may not be possible to sell the investment at all.
- **Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.
- **Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.
- **Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

### **Recommendation of Particular Types of Securities**

We primarily recommend mutual funds and exchange traded funds (ETFs) for our clients. However, we may provide advice on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors. Funds are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. Funds charge a separate management fee for their services which reduces the return. While funds generally provide diversification, risks can be significantly increased if the holdings are concentrated in a particular sector of the market. Investors should carefully assess their tolerance for risk before they decide which investment is suitable for their account.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to your evaluation of the firm or the integrity of our management. We have no information to disclose applicable to this Item.

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

### **Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are also registered representatives with Raymond James Financial Services, Inc. (RJFS), a securities broker-dealer. These individuals receive compensation for transaction-related services in non-advisory accounts separate and in addition to our advisory fees. Since these accounts are opened on the same system as our advisory accounts it is important for you to understand the differences in each account. You are under no obligation, contractually or otherwise, to open the account recommended. Discuss these differences with your representative and refer to *Item 5 Fees and Compensation* above and *Item 12 Brokerage Practices* below for additional disclosures on this topic.

### **Insurance Agent**

Some Associated Persons are also separately licensed as independent insurance agents. These individuals will earn commission-based compensation for selling insurance products, separate and in addition to advisory fees you pay our firm. You are under no obligation, contractually or otherwise, to purchase the insurance products recommended. Refer to *Item 5 Fees and Compensation* above for additional disclosures on this topic.

### **Accounting Firm**

Richard DeVoe is a managing partner of DeVoe Carr, PLLC, an accounting firm. If you require accounting services, we may recommend that you use DeVoe Carr, PLLC. There are no referral fee arrangements between our firms for the recommendation. Our advisory services and related fees are separate and distinct from the compensation paid to DeVoe Carr, PLLC for their services. You are under no obligation to use DeVoe Carr, PLLC or Mr. DeVoe for accounting related services, and may obtain comparable services and/or lower fees through other firms.

### **Recommendation of Other Advisers**

We may recommend that you use a third party adviser (TPA) based on your needs and suitability. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser, as we receive part of the fee you pay. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

### **Description of Our Code of Ethics**

Our firm has adopted a Code of Ethics (the Code) that includes guidelines for professional standards of conduct for our Associated Persons, both those licensed to provide advice and support personnel. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, fairness and good faith towards you. In addition, the Code prohibits our Associated Persons from trading or otherwise acting on material non-public information, also known as insider information.

The Code requires all of our Associated Persons to:

- Adhere strictly to these guidelines and comply with applicable laws.
- Submit reports of their personal account holdings and transactions for review quarterly.
- Report any violations of our Code of Ethics.
- Protect your confidential information.
- Comply with ethical restraints outlined in the Code on gifts and political contributions.
- Acknowledge compliance with the Code annually.

Clients or prospective clients may request a copy of our Code of Ethics by calling us at 662-627-2225.

### **Participation or Interest in Client Transactions**

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

### **Personal Trading Practices**

Our firm or our Associated Persons may invest in the same securities recommended to clients. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, we have adopted policies and procedures for personal trading activity and identifying potential conflicts that may occur.

## **Item 12 Brokerage Practices**

### **Selecting Brokerage Firms**

Persons providing advice on behalf of our firm are also registered representatives of Raymond James Financial Services, Inc. (RJFS), under that agreement, they are subject to applicable rules that restrict them from conducting securities transactions away from RJFS. As such for portfolio management services, we recommend the brokerage services of RJFS, a securities broker-dealer and a member of FINRA and the SIPC; and the custodial services of their affiliated entity, Raymond James & Associates, Inc. (RIA). Fees charged by RJFS may be higher or lower than another broker charges for a particular type of service. You are under no obligation to purchase or sell securities through RJFS, however, if you choose to use another broker-dealer, our firm will not be able to provide portfolio management services for the account. Refer to *Item 5 Fees and Compensation* above for conflicts of interest this creates.

The planning and consulting services we offer do not include implementation of the plan created. Therefore, we do not recommend or select broker-dealers to execute trades as part of these services.

### **Best Execution**



As an investment adviser registered with the SEC we are legally required to take all reasonable steps to obtain the best possible trading result in your account, commonly referred to as "best execution". We believe that RJFS provides quality trade execution services for you at competitive prices. A number of factors are considered in evaluating best execution, including prices, costs, speed, size, confidentiality and other relevant considerations. RJFS periodically assesses the execution quality of the various competing markets, trading venues, dealers and market makers to which orders are routed. We also consider the quality of the additional services provided by RJFS and RJA in recommending them, such as research, reporting, software, and responsiveness to clients and our firm. In recognition of the value of the products and services RJFS provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Trade Errors**

We do occasionally make a mistake when entering trades. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a loss, we will reimburse your or otherwise ensure your account is made whole.

### **Soft Dollar Benefits**

We do not have any soft dollar arrangements. While we do receive economic benefits from your account custodian, RJA, and their affiliated broker-dealer, RJFS, the products and services we receive are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. The products and services we have access to include: software, execution services and research. Proprietary and third-party research is available and may include financial publications, information on companies and industries, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making and trade execution responsibilities. However, you should be aware that the commissions and fees charged by a particular broker or custodian for a particular transaction or set of transactions may be greater than the amounts another broker or custodian, who did not provide research services or products, might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers or other third parties in exchange for cash or other compensation, such as brokerage services or research.

### **Aggregated or Block Trades**

Typically an individual client account is traded when appropriate based on the client's investment plan, without regard to activity in other client accounts. However, if we determine that the purchase or sale of a security is appropriate for more than one client account, we utilize a system that trades all accounts simultaneously as one aggregated or "block" order for execution purposes. Block orders generally seek to obtain a more beneficial net price, potentially avoid a negative effect on the price which could result from placing a number of separate competing orders at the same time, or simplify the administration and efficiency of trading across a potentially large number of accounts, or a combination of these and other factors. The transaction may be made at slightly different prices, due to the volume of securities purchased or sold per account. If a block transaction is made by us you will receive the average price of all transactions entered to fill the order. As a result, the average price received by you may be higher or lower than the price you would have received had the transaction been placed for you independent of the block transaction.

### **Item 13 Review of Accounts**

Ambassador, IMPAC, and Passport accounts are monitored on a continuous basis with other managed accounts monitored on a periodic basis. Reviews are conducted at least annually, depending upon client requests or the size of a client's account, and in all cases are handled by your advisory representative. A review could also occur if there is a change in your personal goals and objectives or significant changes in market or regulatory conditions. Clients may request more frequent meetings or reviews which are conducted on an hourly basis. Reviews include, but are not necessarily limited to, suitability, performance, asset allocation, risk, concentration and prohibited/restricted products. You will receive transaction confirmation notices and regular summary account statements, at least quarterly, directly from Raymond James, your account custodian. As available, such information may be accessed online.

Financial Planning and Investment Consulting reviews and updates are performed as contracted, typically at least annually. Review of assets with another custodian will depend on information provided by you. Financial Planning is conducted by investment adviser representatives who are either Certified Financial Planners or Certified Public Accountants.

If you receive reports from our firm, we encourage you to compare our reports with those received from your qualified custodian. If you find your holdings differ between these two statements, please call our main office at 662-627-2225 or contact your representative.

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

As disclosed *Item 5 Fees and Compensation* above, some individuals providing investment advice on behalf of our firm are licensed insurance agents, and/or are registered representatives with RJFS. For information on the compensation these individuals receive, the conflicts of interest this presents, and how we address these conflicts, refer to *Item 5* above.

As disclosed in *Item 12 Brokerage Practices* above, we receive an economic benefit from Raymond James Financial and their affiliates (RJF) in the form of support products and services made available to us and other independent investment advisors whose clients maintain accounts at RJF. These products and services, how they benefit us, and the related conflicts of interest are described in *Item 12* above. The availability of RJF's products and services to us is based solely on our participation in the programs and not on the provision of any particular investment advice.

We do not receive any compensation from any third party in connection with providing investment advice to you. We do not compensate, or receive compensation from, any individual or firm for client referrals.

### **Item 15 Custody**

We do not have custody (as defined under the Advisers Act) when we provide planning or consulting services to you. For portfolio management services, your funds and securities will be held with Raymond James and Associates (RJA), an independent, qualified custodian. RJA's affiliate, Raymond James Trust of New Hampshire is the custodian of IRA accounts and RJA is the sub-custodian. You will receive account statements from RJA at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period and any transfers that have occurred. You may also receive reports from us, we recommend carefully reviewing account statements and reports for accuracy and notify us if you have any questions or concerns.

BPFA is deemed to have limited custody of some of our clients' funds or securities when clients have authorized us, in writing, to deduct our advisory fees from their account. As paying agent for our firm, RJA will directly debit your account(s) for the payment of our advisory fees. In addition, we are also considered to have custody when clients have standing letters of authorization (SLOA) with RJA to move money from their account to a third-party, and under that SLOA you authorize the custodian to accept from us, the amount and timing of the transfer(s) you request. The SEC has set forth standards intended to protect client assets in such situations, which we follow.

## **Item 16 Investment Discretion**

We do not delegate or exercise discretion over your assets when we provide planning and/or investment consulting services to you. When we recommend another adviser, you will enter a discretionary agreement with the third-party advisor where they will buy or sell securities on your behalf.

If you engage us to provide portfolio management services, we will execute either a discretionary or non-discretionary agreement that contains a Limited Power of Attorney (LPOA) giving us the authority to carry out various activities in your account(s), generally including trade execution and the withdrawal of advisory fees directly from your account(s). You may specify investment objectives, guidelines, and/or limits or restrictions for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed a specified percentage of the value of the portfolio and/or restrict or prohibit transactions in a particular stock or industry.

- Discretionary agreements give us the authority to determine the selection and amount of securities to be purchased or sold for your account(s), within the established terms of the account, without obtaining your consent or approval prior to each transaction.
- Non-discretionary agreements prevent us from executing a trade in your account unless and until you have approved the trade recommendation. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.
- Refer to *Item 4 Advisory Business* above for more information on our management services.

## **Item 17 Voting Client Securities**

We will not vote proxies on your behalf. You retain the responsibility for receiving and voting proxies for securities maintained in your accounts. In most cases, you will receive proxy materials directly from either Raymond James or transfer agents. However, in the event we were to receive such materials, we would forward all proxy materials directly to you by mail, or by e-mail if you have authorized us to communicate electronically.

Occasionally, securities held in your account may become the subject of legal proceedings, including bankruptcies and shareholder litigation. You have the right to take any actions with respect to any legal proceedings and the right to initiate or pursue any legal proceedings with respect to transactions, securities or other investments held in your account. You are not obligated to join other parties with regards to the proceedings. Neither we nor the investment managers provide legal advice and will not initiate claims to recover damages on behalf of clients.

Eligible accounts custodied with Raymond James will be enrolled in a Class Action Recovery Service, any funds recovered will be assessed a fee by the administrator of the service. You may unenroll at any time by contacting us. For additional information on the service and fees, refer to the "Administrative Services" section in the "Important Client Information" Brochure received from Raymond James, a

current copy is available from your advisory representative, or you may visit the Raymond James public website : <https://www.raymondjames.com/legal-disclosures>.

### **Item 18 Financial Information**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you and we have not been the subject of a bankruptcy proceeding. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 six or more months in advance of services provided.