

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Forbes Financial Planning, Inc. If you have any questions about the contents of this brochure, please contact us at (401) 885-7300, or by email at dforbes@forbesplanning.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority.

Additional information about Forbes Financial Planning, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Forbes Financial Planning, Inc. is 143912.

*Registration as an investment adviser does not imply any level of skill or training.

Item 2 - Material Changes

Forbes Financial Planning, Inc. (“FFP” or the “Firm”) filed its last Form ADV Annual Updating Amendment in March 2023. Since its previous annual filing, the Firm has no material changes to report.

Item 3 - Contents

Item 1 - Cover Page.....	1
Item 2 - Material Changes.....	2
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	6
Item 6 - Performance-Based Fees	10
Item 7 - Types of Clients.....	10
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9 - Disciplinary Information	16
Item 10 - Other Financial Industry Activities and Affiliations	16
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	16
Item 12 - Brokerage Practices.....	17
Item 13 Review of Accounts	18
Item 14 - Client Referrals and Other Compensation	19
Item 15 - Custody	19
Item 16 - Investment Discretion	20
Item 17 - Voting Client Securities (Proxy Voting).....	20
Item 18 - Financial Information	20

Item 4 - Advisory Business

A. Firm Information

Forbes Financial Planning, Inc., (“FFP” or the “Firm”) was organized as a corporation in March 2007. The Firm’s registration as an investment adviser became effective in February 2008. FFP’s principal office and place of business is located in Rhode Island. The Firm is wholly owned by Mr. Daniel Forbes, Founder, and President.

B. Description of Advisory Services

FFP offers investment advisory services to individuals, high net worth individuals, trusts, estates, and qualified retirement plans (collectively, “Client” or “Clients”). The Firm’s advisory services include both comprehensive financial planning and investment management services.

Comprehensive Financial Planning

Generally, comprehensive financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client’s financial goals and objectives. As part of the financial planning process and the nature of the advice desired, FFP will gather various types of financial information and history from the Client which may include, but is not limited to the following:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Existing portfolio statements, including retirement account information
- Financial needs
- Tax bracket information
- Cash flow analysis
- Cost of living needs
- Savings tendencies
- Other applicable financial information as needed

Comprehensive financial planning services generally recommend the implementation of the financial plan through the purchase and/or sale of securities and insurance products. As a consequence, the Firm may recommend its Investment Management Services offering or the purchase of insurance products (e.g., life insurance, disability insurance, long-term care insurance, fixed annuity) through its affiliated insurance agency, Forbes Insurance Agency, Inc. This represents a material conflict of interest. For more information on material conflicts of interest, please refer to the following items: “Item 5 – Fees and Compensation”, “Item 10 – Financial Industry Activities and Affiliations”, and “Item 12 – Brokerage Practices”.

As part of the financial planning process, the Firm may also recommend other professional service providers (“Providers”) if necessary. These providers may include attorneys, accountants, and other professionals with specialized expertise. While FFP does not receive compensation or compensate Providers for referrals, this practice also represents a potential conflict of interest. For more information on material conflicts of interest, please refer to “Item 10- Other Financial Industry Activities and Affiliations”.

Investment Management Services

Most Clients choose to have Forbes Financial Planning, Inc. manage their assets in order to obtain ongoing in-depth advice and life planning. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The Firm will schedule a meeting with the Client(s) and present the findings of the analysis and recommended portfolio allocation. Upon the Client's approval, FFP will implement the initial portfolio allocation. After the implementation of the initial portfolio allocation, the Firm will provide continuous and ongoing management of the account using its own discretion to determine any changes to the account. FFP will manage the account and will make changes to the allocation as deemed appropriate.

FFP will determine the securities to be purchased and sold in the account and may change the securities holdings from time to time, without prior consultation with the Client. Assets are primarily invested in no-load mutual funds ("mutual funds") and/or exchange-traded funds ("ETFs").

Assets are generally invested in no-load mutual funds and/or and exchange-traded funds. Other investments may include equity securities, fixed income securities, certificates of deposit, and managed variable annuities¹.

Held Away Accounts and Investment Management

FFP has the ability to manage client assets that are not held ("Held Away Accounts") at our recommended qualified custodian, Fidelity Clearing & Custody Solutions² ("Fidelity"). We have discretion over managing Held Away Accounts by utilizing an order management system to implement the appropriate asset allocation and rebalance portfolios as needed. These Held Away Accounts are generally 401(k) plan accounts, 529 plans, variable annuities, and other assets not held in custody at Fidelity. FFP is able to provide investment management of Held Away Accounts through a third-party portfolio management provider, Pontera Solutions Inc³. ("Pontera"). FFP obtains access and is able to manage Held Away Accounts via a link through Pontera. Client log-in credentials are never made available to, or stored by FFP. Furthermore, Held Away Account assets are monitored by using Pontera software to obtain account values and holdings.

C. Client Account Management

Both FFP's Financial Planning Services offering, and its Investment Management Services offering are tailored to the individual needs of each Client. Clients are allowed to place reasonable restrictions on the purchase of certain securities and/or the types of securities purchased.

Services Tailored to the Individual Needs of Each Client / Reasonable Restrictions

By its very nature, the Firm's Financial Planning Services offering is custom-tailored to the individual needs of each Client.

FFP's Investment Management Services offering allows tailored solutions and reasonable restrictions. Based on a Client's risk tolerance and goals, the Firm will develop a custom-tailored solution to help clients meet their individual needs. Reasonable restrictions may include reducing or

¹ Managed variable annuities are issued by John Hancock Life Insurance Company (U.S.A.). Forbes Financial Planning Inc. ("FFP") does not receive any transaction-based compensation for recommending or managing this product(s). As an investment adviser, FFP's compensation is in the form of an investment management or investment advisory fee.

² Fidelity Clearing and & Custody Solutions ("Fidelity") provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC. Fidelity and Forbes are unaffiliated companies.

³ Formerly known as FeeX

restricting the portfolio allocation to certain asset classes such as equity securities, fixed income securities, cash equivalents, real estate, or commodities). However, FFP may consider a high percentage allocation to one or more asset classes unreasonable, and not the best interest of a Client. If FFP does not deem a restriction to be reasonable, the Firm will not be able to accommodate such a request.

Pension Consulting Services

The Firm's Pension Consulting Services ("PCS") offering is designed for qualified retirement plan sponsors (e.g., 401(k) plans). PCS includes two components in supporting the initiatives of plan sponsors. These initiatives include Investment Management Services and Education of Plan Participants.

PCS Investment Management Services

FFP provides non-discretionary investment management services to plan sponsors in accordance with a plan's policies and objectives. Plan sponsors receive assistance in the development of an investment policy statement, selection of a broad range of investment options, ongoing monitoring of investment options, and periodic meetings and reports.

PCS Education of Plan Participants

FFP assists in group enrollment meetings designed to increase retirement plan participation amongst employees. The Firm also assists in the education of plan participants in several ways. FFP holds educational workshops to discuss general investing principles and investment options available under the plan. FFP may also discuss websites and other interactive tools that may be available to participants via third-party service providers.

D. Wrap Fee Programs

FFP does not offer or participate in any wrap fee programs.

E. Assets Under Management

As of December 31, 2023, the Firm managed \$174,670,078 in client assets on a discretionary basis. Please see "Item 16 – Investment Discretion" for more information.

Item 5 - Fees and Compensation

5(A)1 Description of Fees for Financial Planning Services

Financial Planning Services are offered at both a fixed fee for a financial plan or an hourly fee. Lower fees for comparable services may be available from other investment advisers or financial planners. Financial planning fees are negotiable. The exact fee and services agreed upon will be described in your financial planning agreement.

Fixed Financial Planning Fee

Our standard fixed fee for a comprehensive financial plan is \$4,000 for the first year. The fee is broken down as follows:

- 1) \$2,000 for initial setup;
- 2) \$500 per quarter for ongoing maintenance

Following the first 12 months, the ongoing maintenance fee remains at \$500 per quarter.

Hourly Financial Planning Fee

Financial planning is also offered at an hourly rate of \$400.

5(B)1 Payment Methods

Fixed Financial Planning Fee

When entering into a fixed fee for a financial plan, the Firm requires an upfront deposit of \$2,000 for the initial set up. Clients are then invoiced each quarter in arrears for ongoing maintenance.

Hourly Financial Planning Fee

Clients are invoiced monthly in arrears for Financial Planning Services performed on an hourly basis.

5(C)1 Other Fees and Expenses

Financial Planning Services generally recommend the implementation of the financial plan through the purchase and/or sale of securities and insurance products. Implementation of a financial plan will incur additional costs such as custodial fees and brokerage fees which prospective clients should carefully review. Furthermore, the Firm may recommend its Investment Management Services offering and/or the purchase of insurance products (e.g., life insurance, disability insurance, long-term care, or annuities) through its affiliated insurance agency, Forbes Insurance Agency, Inc. ("FIA") This represents a material conflict of interest in that both FFP and FIA are wholly owned by Mr. Forbes, and as a consequence, he benefits directly.

5(D)1 Termination Provisions, Refunds and Assignments

Prior to initiating financial planning services, the Client will be required to enter into a written agreement that sets forth the terms and conditions of the engagement; and describes the scope of services provided. Agreements may be terminated by either party at any time without penalty upon receipt of 30 day's written notice. If the Client terminates the agreement within five (5) days of its signing, the Client will receive a full refund of all fees. If the agreement is terminated after five (5) business days of its signing, any prepaid fees shall be prorated, and the unused portion shall be returned to the Client.

5(A)2 Investment Management Services Fee

The Firm calculates its Investment Management Services fee based upon the percentage of assets under management ("AUM"). AUM is based on the account value of each account. Lower fees for comparable services may be available from other investment advisers. Fees for related accounts may be negotiable for purposes of calculating assets under management. The annualized Investment Management Services fee is calculated according to the following schedule below:

Assets Under Management	Annual Fee
Up to \$1,000,000	1.10%
Above \$1,000,000 - \$3,000,000	1.00%
Above \$3,000,000 - \$5,000,000	0.90%
Above \$5,000,000	0.75%

Note, the “annualized fee” excludes brokerage costs such as commissions, markups, markdowns, ticket charges, and underlying mutual fund expenses. FFP does not receive or share in any such fees.

Generally, the Firm will recommend the purchase of mutual funds and/or exchange-traded funds (“ETFs”) as part of its Investment Management Services offering. When purchasing mutual funds or ETFs, effectively Clients are subject to two (2) layers of fees:

- 1) Direct advisory fee pursuant to the fee schedule; and
- 2) Indirect advisory fees (that is, the advisory fee paid by the mutual fund to the adviser of the mutual fund).

For a detailed treatment of brokerage costs, please carefully review “Item 12- Brokerage Practices”.

5(B)2 – Payment Methods

Fees for Investment Management services are directly deducted by Fidelity Clearing & Custody Solutions⁴ (“Fidelity”) on a quarterly basis in advance. Fidelity is FFP’s qualified custodian, and Clients will receive statements from Fidelity on a quarterly basis. Should you believe that your fee is calculated incorrectly, please contact FFP promptly to resolve this issue.

5(C)2 – Other Fees and Expenses

In connection with Investment Management Services, implementation will generally include the purchase and/or sale of securities. Implementation will incur additional costs such as custodial fees and brokerage fees which prospective clients should carefully review. Please refer to “Item – 12 Brokerage Practices” and “Item 13” – Custody”.

5(D)2 – Termination Provisions, Refunds and Assignments

Prior to providing Investment Management Services, the Client will be required to enter into a written agreement. The agreement sets forth the terms and conditions of the engagement and describes the scope of services to be provided. Each agreement is ongoing and may be terminated by either party by 30 day’s written notice. Furthermore, the Client may terminate the agreement within five (5) business days of signing the agreement without penalty. After the five-day period, the Client will incur charges for Investment Management Services which will be prorated through the date of termination. Any unearned prepaid fees will be promptly refunded.

5(A)3 - Held Away Accounts and Investment Management Fees

Held Away Accounts are calculated utilizing the same methodology as its Investment Management Services Fee. Please see “5(A)2 Investment Management Services Fee.”

5(B)3 – Payment Methods

Fees for Held Away Accounts cannot be deducted from any accounts held away from Fidelity, the Firm’s recommended qualified custodian. Clients will need to either set up a separate Fidelity Account or earmark an existing Fidelity Account for the deduction of fees for Held Away Accounts. Fees are deducted quarterly in advance, and Clients will receive statements from Fidelity on a quarterly basis. Should you believe that your fee is calculated incorrectly, please contact FFP promptly to resolve this issue.

⁴ Fidelity Clearing & Custody Solutions provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.

5(C)3 - Other Fees and Expenses

In connection with Investment Management Services for Held Away Accounts, implementation will generally entail purchases, sales, and rebalancing of account assets. Implementation will generally incur additional costs or charges (custodial fees, brokerage costs, transaction fees) assessed by Held Away Account service providers. FFP does not receive or share any portion of these additional costs or charges.

5(D)3 – Termination Provisions, Refunds and Assignments

Prior to providing Investment Management Services for Held Away Accounts, Clients will be required to enter into a written agreement. The agreement sets forth the terms and conditions of the engagement and describes the scope of services to be provided. Each agreement is ongoing and may be terminated by either party by 30 days written notice. Furthermore, the Client may terminate the agreement within five (5) days of signing the agreement without penalty. After the five-day period, the Client will incur charges for investment management which will be prorated through the date of termination. Any unearned prepaid fees will be promptly refunded.

5(A)4 - Description of Fees for Pension Consulting Services

Pension Consulting Services (“PCS”) are offered on a fixed quarterly fee. The quarterly fee is dependent on various factors which are not limited to the number of investment options selected and monitored, the frequency of meetings, number of participants and educational workshops. Fees may be negotiable. Lower fees may be available from other investment advisers.

Note, the quarterly fee excludes any brokerage costs such as ticket charges and underlying mutual fund expenses. FFP does not receive or share in any such fees.

When purchasing mutual funds, effectively plan sponsors/participants are subject to two (2) layers of fees:

1) Direct fees in the form of quarterly advisory fees as stated above, and 2) Indirect fees that is, the advisory fee paid by the mutual fund to the adviser of the mutual fund. For a detailed treatment of brokerage costs, please carefully review “Item 12 - Brokerage Practices.”

5(B)4 - Payment Methods

Fees for PCS are generally billed quarterly in advance.

5(C)4 - Other Fees and Expenses

In connection with PCS, plan sponsors will incur additional costs such as custody and brokerage fees. Plan sponsors should review these fees carefully.

5(D)4 - Termination Provisions, Refunds, and Assignments

Prior to providing PCS, plan sponsors will be required to enter into a written agreement (the “Agreement”). The Agreement sets forth the terms and conditions of the engagement and describes the scope of services to be provided. The Agreement is ongoing and may be canceled by the plan sponsor for any reason upon receipt of written notice. Furthermore, the plan sponsor may terminate the Agreement within five (5) business days of signing the Agreement at no cost. After the five-day period, the plan sponsor will incur charges for PCS rendered to the point of termination, and such fees will be due and payable by the plan sponsor. Any unearned prepaid fees will be promptly refunded by FFP.

Item 6 - Performance-Based Fees

FFP does not charge any performance-based fees on Client accounts managed.

Item 7 - Types of Clients

Forbes Financial Planning, Inc. generally provides investment advice to individuals, high net worth individuals, trusts, estates, and qualified retirement plan sponsors. Neither the Firm's Financial Planning Service nor its Investment Management Service requires a minimum account size.

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

8(A) Methods of Analysis

The Firm utilizes diverse sources of material which aid its decision-making process. Research and analysis may be derived from numerous sources, including financial media third-party research materials, internet sources, prospectuses, and subscription services.

8(A) Investment Strategy/Philosophy

The Firm's investment philosophy is centered on strategic asset allocation utilizing both passive and active funds. We will address asset allocation in general, strategic asset allocation vs. tactical asset allocation, asset classes in which FFI employs, and passive funds vs. active funds.

Asset Allocation in General

At its most basic level, asset allocation involves dividing an investment portfolio among different asset categories, such as stocks (equities), bonds (debt), cash equivalents. The process of determining which mix of assets to hold should consider a number of factors that include but are not limited to your time horizon and risk tolerance.

The Importance of Asset Allocation

By including asset categories with investment returns that move up and down under different market conditions within a portfolio, an investor can protect against significant losses. Historically, the three major asset classes have not moved up and down at the same time. Market conditions that cause one asset category to do well often cause another asset category to have average or poor returns. By investing in more than one asset category, you will potentially reduce the risk that you will lose money and your portfolio's overall investment returns will have a smoother ride. If one asset category's investment return falls, you will be in a position to counteract your losses in that asset category with better investment returns in another asset category.

Strategic Asset Allocation vs. Tactical Asset Allocation

The major difference between strategic asset allocation vs. tactical asset allocation is the timing component. Strategic allocations to various asset classes set the long-run target. To keep on track, a portfolio needs to be periodically rebalanced back to the initial mix. Tactical allocations are generally implemented based on current market conditions and are adjusted periodically. For example, if a recession is expected, a tactical asset allocator might sell stocks and increase cash or fixed-income allotment by selling stocks and buying bonds. This tactical approach is an effort to protect stock investments from future predicted loss in value. Strategic asset allocation does not incorporate a timing component but instead focuses on goals, risk tolerance, and other non-market timing factors. The driving belief of strategic asset allocation is that asset classes will revert to their long-term average returns, and that is not prudent or practical to attempt to time the market by actively changing allocations.

Asset Classes Employed by FFP

FFP believes in broad asset class diversification, and by utilizing mutual funds and exchange-traded funds, the Firm will generally employ the following asset classes:

- U.S. large-cap stocks
- U.S. mid-cap stocks
- U.S. small-cap stocks
- International stocks
- Emerging markets
- Bonds
- Cash
- Commodities
- Real Estate

Stocks can be further divided into value, growth and blended. Bonds may be divided further by duration and credit quality.

Passive Managed Funds vs. Actively Managed Funds

After the asset allocation decision has been determined, FFP will generally utilize a combination of passively and actively managed funds (e.g., mutual funds, exchange-traded funds).

Passive funds, also known as passive index funds, are structured to replicate a given index in the composition of securities and seek to match the performance of the index that they track, no more or no less. That means they get all the upside when a particular index is on the upswing and all the downside when that index falls. And as the name implies, there is no manager or management team actively picking stocks or making buy and sell decisions.

Active funds, in contrast, attempt to beat the indexes, and this is important to understand that there is no guarantee that they will do so. Active managers conduct economic, sector and company research while employing strategies such as market timing. For instance, if an active fund manager believes a particular sector, security or asset class is heading for a decline in value, he or she might reduce that fund's exposure accordingly.

But this active involvement comes at a price. Actively managed funds are typically much more expensive than index funds. In addition, managers of active funds tend to trade their holdings more frequently. That might lead to higher transaction costs or trigger capital gains taxes that are shouldered by the funds' investors.

Investing in securities involves risk of loss that clients should be prepared to bear.

8(B) Material Risk of Methods of Analysis

As stated previously, the Firm incorporates various sources of material and methods of analysis in its investment decision-making process. All methods of analysis/source materials have disadvantages. Disadvantages or risks of source materials the Firm utilizes may include:

- Vulnerability to wrong data, including assumptions
If a corporation incorrectly reports data or data is misinterpreted, an incorrect conclusion may be drawn
- Overreliance on past data
Historical or past data uses historical numbers to make an educated guess about the future.
- Bad timing

Research may determine that a company is grossly overvalued. That company can remain undervalued for long periods of time (months or even years) until investors come to the same conclusion and drive the price of the stock upwards.

- **Positions contrary to the market**
A security may be purchased because it is believed to be undervalued. Essentially, a position taken in that security may be contrary to thousands or millions of investors, many of which may be highly sophisticated investors with the same data.

8(C) Material Risk of Securities

- **Business Risk**
When purchasing equity securities or stocks, investors are purchasing a piece of ownership of a company. With a bond, you are loaning money to a company. Returns from both types of securities that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left which may be nothing.
- **Volatility Risk**
Even when companies are not in danger of failing, their stock price may fluctuate up or down. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.
- **Inflation Risk**
Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.
- **Interest Rate Risk**
Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower rate, you might have to sell it at a discount.
- **Liquidity Risk**
This refers to the risk that investors will not find a market for their securities, potentially preventing them from buying or selling when they want.

FFP provides investment advice on equity securities, fixed income securities (e.g., corporate bonds and government bonds), mutual funds, exchange-traded funds, and foreign securities. The following is an overview of the primary risks associated with each type of investment product offered by the Firm:

- **Equity Securities**
Equity Securities or stocks offer investors the greatest potential for growth (capital appreciation) over the long haul. Investors willing to stick with stocks over long periods

of time, generally have been rewarded with positive returns. However, stock prices move down as well as up. There is no guarantee that the company whose stock you hold will grow and do well, so you can lose money when you invest in stocks. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. The company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

- **Fixed Income Securities**

Bonds can provide a means of preserving capital and earning a predictable return. Bond investments provide steady streams of income from interest payments prior to maturity. However, as with any investment, bonds have risks. These risks include:

- **Credit risk**
The issuer may fail to timely make interest or principal payments and thus default on its bonds.
- **Interest rate risk**
Interest rate changes can affect a bond's value. If bonds are held to maturity, the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher interest rate than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.
- **Inflation risk**
Inflation is a general upward movement in prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest.
- **Liquidity risk**
This refers to the risk that investors will not find a market for the bond, potentially preventing them from buying or selling when they want.
- **Call risk**
The possibility that a bond issuer retires a bond before its maturity date, something an issuer might do if interest rates decline, much like a homeowner might refinance a mortgage to benefit from lower interest rates.

- **Mutual Funds**

Mutual funds are investment companies that pool money from investors and invest it based on specific investment goals of the fund. Mutual funds raise money by selling their own shares to investors. The money is used to purchase a portfolio of stocks, bonds, money-market instruments, other securities or assets, or some combination of these investments. Each share represents an ownership piece in the fund and gives the investor proportional right, based on the number of shares he or she owns, to income and capital gains that the fund generates from its investments.

The particular investments a fund makes are determined by its objectives and, in the case of an actively managed fund, by the investment style and skill of the fund's

professional manager or managers. The holdings of the mutual fund are known as its underlying investments, and the performance of those investments, minus fund fees, determines the fund's investment return.

While there are literally thousands of individual mutual funds, there are only a handful of major fund categories:

- Stock funds invest in stocks
- Bond funds invest in bonds
- Balanced funds invest in a combination of stocks and bonds
- Money market funds invest in very short-term investments and are sometimes described as cash equivalents.

You can find all of the details about a mutual fund, including its investment strategy, risk profile, performance history, management, and fees in a fund's prospectus. You should always read the prospectus carefully before investing in a fund.

- **Exchange-Traded Funds**

Exchange-traded funds ("ETFs") are a type of exchange-traded investment product that is similar to mutual funds in certain ways, and in other ways very different. Like mutual funds, ETFs offer investors a way to pool their money in a fund that makes investments in stocks, bonds, or other assets and, in return, to receive interest in that investment pool. Unlike mutual funds, however, ETF shares are traded on a national stock exchange and at market prices that may or may not be the same as the net asset value ("NAV"). However, ETFs are not mutual funds. Generally, ETFs combine features of mutual funds with the intraday trading of equity securities or stocks. Unlike mutual fund shares, retail investors can only purchase and sell ETF shares in market transactions. That is, unlike mutual funds, ETFs do not sell individual shares directly to, or redeem their individual shares directly from, retail investors. Instead, ETF sponsors enter into contractual relationships with one or more financial institutions known as "Authorized Participants". Authorized Participants typically are large broker-dealers. Once Authorized Participants are permitted to purchase and redeem shares directly from the ETF, and they can do so only in large aggregations or blocks (e.g., 50,000 ETF shares) commonly called "Creation Units".

Other investors purchase and sell ETF shares in market transactions at market prices. An ETF's market price typically will be more or less than the fund's NAV per share. This is because the ETF's market price fluctuates during the trading day as a result of a variety of factors, including the underlying prices of the ETF's assets and the demand for the ETF, which the ETF's NAV is the value of the ETF's assets minus its liabilities, as calculated by the ETF at the end of each business day.

ETFs are generally available in two different types. These types are as follows:

- **Index-Based ETFs**

Most ETFs trading in the marketplace are index-based ETFs. These ETFs seek to track a securities index like the Standard & Poor's 500 Stock Index ("S&P 500") and generally invest primarily in the component securities of the index. For example, the SPDR, or "Spider" ETF, which seeks to track the S&P 500, invests in most or all of the equity securities contained in the S&P 500 stock index. Some, but not all ETFs may post their holdings on their website on a daily basis.

- **Actively Managed ETFs**

Actively managed ETFs are not based on an index. Instead, they seek to achieve a stated investment objective by investing in a portfolio of stocks, bonds, and other assets. Unlike an index-based ETF, an adviser of an actively managed ETF may actively buy or sell components in the portfolio on a daily basis without regard to conformity with an index.

Before investing in an ETF, you should read both its summary prospectus and its full prospectus, which provide detailed information on the ETF's investment objective, principal investment strategies, risks, costs, and historical performance (if any). Do not invest in something you do not understand.

- **International or Foreign Securities**

Investors in the United States have access to a wide selection of investment opportunities. These opportunities include international investments that give investors international exposure. The two main reasons individuals invest in international investments and investments with international exposure are:

- **Diversification** (spreading investment risk among foreign companies and markets in addition to U.S. companies and markets); and
- **Growth** (taking advantage of the potential for growth in some foreign economies, particularly in emerging markets).

International or foreign investment returns may move in a different direction, or at a different pace, than U.S. investment returns. In that case, including exposure to both domestic and foreign securities in a portfolio may reduce the risk that an investor will lose money if there is a drop in U.S. investment returns and a portfolio's overall investment returns over time may have less volatility. Keep in mind, though, that this is not always true and that with globalization, markets are increasingly intertwined across borders. While investing in any security requires careful consideration, international investing raises some special issues and risks. These include:

- **Access to different information**
In some jurisdictions, the information provided by foreign companies is different from the information provided by U.S. companies.
- **Costs of international investments**
International investing can be more expensive than investing in U.S. companies.
- **Changes in currency exchange rates and currency controls**
A foreign investment also has foreign currency exchange risk. When the exchange rate between the foreign currency and the U.S. dollar changes, it can increase or reduce an investment return in a foreign security.
- **Changes in market value**
All securities markets can experience dramatic changes in market value, whether foreign or domestic.
- **Political, economic and social events**
Depending on the country or region, it can be more difficult for investors to obtain information about and comprehensively analyze all the political, economic and social factors that influence a particular foreign market.

- **Different levels of liquidity**
Some foreign markets may have lower trading volumes for securities, or fewer listed companies than U.S. markets.
- **Legal remedies**
The jurisdiction in which investors purchase a security can affect whether they have, and where they can pursue legal remedies against a foreign company or any other foreign-based entities involved in a transaction.
- **Different market operations**
Foreign markets may operate differently from the major U.S. trading markets. For example, there may be different time periods for clearance and settlement of securities transactions.
- **Certificates of Deposit (CDs)**
Certificates of Deposit (“CD” or “CDs”) are time deposits. When you choose a CD, the bank accepts your deposit for a fixed term and pays you interest until maturity. At the end of the term, you can cash your CD for the principal plus the interest earned or roll your account balance over to a new CD.
CDs are less liquid than savings accounts. You cannot withdrawal from them during the term. Instead, to buy a CD, you need to deposit the full amount all at once. If you cash in your CD before it matures, you will usually pay a penalty, typically forfeiting some of the interest you have earned.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with FFP.

Item 9 - Disciplinary Information

There are no legal, regulatory, or disciplinary events involving FFP or its principal owner, Mr. Daniel Forbes.

Item 10 - Other Financial Industry Activities and Affiliations

Mr. Daniel Forbes wholly owns both FFP and Forbes Insurance Agency, Inc. (“FIA”). Through FFP’s Financial Planning Service, the Firm may recommend the purchase of insurance products (e.g., life insurance, disability insurance, long-term care, or annuities) through its affiliated insurance agency, FIA. This represents a material conflict of interest in that both FFP and FIA are wholly owned by Mr. Forbes, and as a consequence, he is compensated directly. Investment advisory products and services and insurance products may be available at a lower cost through other investment advisers, financial planners, and insurance agencies. Clients of the Firm have no obligation to implement any financial planning recommendations through FFP or FIA.

Item 11 - Code of Ethics, Participation or Interest in

Client Transactions and Personal Trading

A. Code of Ethics

FFP has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with FFP (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. FFP and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of FFP’s Supervised Persons to adhere not only to the specific provisions of the Code but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of FFP’s Code, please contact us at (401) 885-7300.

B. Personal Trading with Material Interest

FFP allows our supervised persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. FFP does not act as principal in any transaction. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. FFP does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

FFP allows our supervised persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest. Generally, the securities purchased are limited to mutual funds and exchange-traded funds. We may purchase or sell these securities as part of a block transaction when making mass changes to client portfolios. Please see “Item 12 – Brokerage Practices” – “B – Aggregating and Allocating Trades”.

As noted above, we have adopted the Code to address insider trading, gifts and entertainment, outside business activities, and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. We attempt to mitigate this risk by adhering to and enforcing the Firm’s Code of Ethics as described earlier in this section.

D. Personal Trading at Same Time as Client

While FFP allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will FFP, or any Supervised Person of FFP, transact in any security to the detriment of any Client.**

Item 12 - Brokerage Practices

A. Selection and Recommendation for Client Transactions

1. Research and Other Soft Dollar Benefits - FFP does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor receives certain economic benefits from the Custodian. “Please see Item 14 – Client Referrals and Other Compensation.”

2. Brokerage for Client Referrals - FFP does not receive any client referrals for directing client transactions to broker-dealers for trade execution.

3. Directed Brokerage

FFP exclusively directs all client transactions to Fidelity Clearing & Custody Solutions (“Fidelity”) for execution. Fidelity is a registered broker-dealer and FFP’s sole custodial relationship for the safeguarding of client assets. Not all advisers require their clients to direct securities transactions to a single broker-dealer. By directing all brokerage transactions to Fidelity, clients may be unable to achieve the most favorable execution of client transactions; and this practice may cost clients more money.

4. Financial Planning Services, Investment Management Services, and Insurance Products

As part of its Financial Planning Services offering, FFP will generally recommend the implementation of the financial plan by engaging the Firm for its Investment Advisory Services offering, and or purchasing insurance products (e.g., life insurance, disability insurance, long-term care) through FFP’s affiliated insurance agency, Forbes Insurance Agency, Inc. (“FIA”). The Investment Management Services offering and the sale of insurance products through FIA directly benefits Mr. Forbes as the sole owner of FFP and FIA. This represents a material conflict of interest. Lower cost alternative investment management services may be available through other investment advisers. Clients are under no obligation to implement a financial plan through FFP or FIA.

B. Aggregating and Allocating Trades

The Firm will generally aggregate Client transactions or orders. Trade aggregation is the process of bunching orders for multiple Client accounts. This practice attempts to obtain more favorable pricing and/or reduced transaction costs (e.g., commissions) for Client accounts.

FFP will generally allocate trade executions on an average price basis. Partial trade executions will generally be executed on a pro-rata basis.

There is no guarantee that each Client order is aggregated. Client orders which are not aggregated may result in less favorable pricing and/or increased costs (e.g., commissions) for Client accounts.

Item 13 Review of Accounts

A. Frequency of Reviews

Investment Management Accounts are monitored on a regular basis by the investment adviser representative servicing the account. All financial plans are reviewed by the IAR servicing the account prior to being presented to the client. Financial plans are then reviewed with the client. Financial plans are not reviewed or monitored on an ongoing basis unless specified in the Financial Planning Services agreement.

B. Non-Periodic Review of Client Accounts

Non-periodic reviews may be triggered by material market, economic or political events, or by changes in a client’s financial situation (e.g., change in investment objective or risk tolerance, retirement, termination of employment, relocation, inheritance, or any other concern that may be prompted by the client).

Item 14 - Client Referrals and Other Compensation

A. Economic Benefits of Utilizing Fidelity Platform for Advisers

The Firm has established an institutional relationship with Fidelity Clearing & Custody Solutions (“Fidelity”) is dedicated to serving independent investment advisers. As an investment adviser utilizing Fidelity’s platform, the Firm receives access to software and related support without cost because of FFP’s Clients custody assets at Fidelity, and utilize Fidelity as its sole executing broker-dealer. Services provided by Fidelity benefit many, but not all FFP Clients. The receipt of economic benefits from Fidelity custodian creates a potential conflict of interest since these benefits influence FFP’s recommendation of Fidelity as its custodian and sole executing broker-dealer.

B. No Compensation Received for Referral Arrangements

FFP does not receive any compensation for Client referrals. However, FFP may refer Clients to unaffiliated service providers such as attorneys, tax preparers, accountants, estate planners, and real estate agents, and loan officers (“Service Providers”). FFP does not receive any compensation for these referrals. In turn, these Service Providers may refer clients to FFP. Whether FFP receives a Client referral or refers a Client to a Service Provider, no compensation is received or paid.

Services that May Only Benefit FFP

Fidelity also offers other services to FFP that may not benefit FFP Clients. These services include educational conferences and events, start-up support, consulting services and discounts for various service providers. Access to these services creates an incentive for the Firm to recommend Fidelity, which represents a conflict of interest.

A. Client Referrals from Solicitors

The Firm does not compensate any person directly or indirectly for Client referrals.

Item 15 - Custody

Investment Management Accounts and Fee Deductions at Fidelity

FFP does not maintain physical custody of client assets. Other than the Client authorized deduction of fees from accounts held by a qualified custodian, the Firm does not maintain or accept custody of client funds or securities. The Firm recommends and generally requires (depending on the nature of the services), Fidelity Clearing & Custody Solutions⁵ as the Client’s qualified custodian. FFP is not affiliated with Fidelity or any qualified custodian.

As a qualified custodian, Fidelity provides Clients with account statements on a quarterly basis, indicated all amounts disbursed, including management fees paid directly to FFP. For additional information on payment methods, please see “Item 5 – Payment Methods”.

Upon Client request, FFP may provide account statements or copies of invoices for informational purposes. In the event of a discrepancy, the account statements/invoices provided by Fidelity take precedence over any statements/invoices provided by FFP. In the event of a discrepancy, please contact FFP promptly to address this issue.

⁵ Provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.

Item 16 - Investment Discretion

The Firm accepts limited discretionary authority to manage client assets. By executing an investment management agreement which contains a provision for limited discretionary authority, the Firm is authorized to manage Client accounts in accordance with the Client's investment objectives and goals. Limited discretionary authority provides the Firm with the ability to execute purchases, sales, rebalancing client assets, and a quarterly deduction of advisory fees.

Item 17 - Voting Client Securities (Proxy Voting)

Forbes Financial Planning, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. If a conflict of interest exists, it will be disclosed to the Client. However, the decision to vote and how to vote the proxies is solely up to the client.

Item 18 - Financial Information

The Firm does not require the payment of fees in the amount of \$1,200 or more six months or more in advance. No financial condition of which the Firm is currently aware that would impair the Firm's ability to meet its contractual commitment to its Clients. The Firm has not been the subject of a bankruptcy petition within the past 10 years.