



Part 2A of Form ADV: *Firm Brochure*

Pure Financial Advisors, LLC

SEC File Number: 801-70137

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Brochure
March 25th, 2024

This brochure provides information about the qualifications and business practices of Pure Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 877-222-6044 or at compliance@purefinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration of an investment advisor does not imply a certain level of skill or training.

Additional information about Pure Financial Advisors, LLC. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 144316.

Item 2 Material Changes

The current Form ADV dated March 25th, 2024 replaces the prior Form ADV dated March 29th, 2023. In this summary of material changes, we discuss only the material changes since the last update of this brochure. The following are material changes to this filing:

- No material changes to report

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Our Brochure can be requested at any time, by contacting compliance@purefinancial.com or calling 877-222-6044. Our Brochure is also available through our web site www.purefinancial.com, free of charge.

Additional information about Pure Financial Advisors, LLC is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Pure Financial Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of Pure Financial Advisors, LLC.

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Item 4 Advisory Business

Pure Financial Advisors (PURE) was established on March 21, 2007, to provide strategic financial planning and asset management for mid to high-net-worth clients. PURE's mission is to help clients of all financial profiles achieve maximum net after-tax purchasing power relative to their own unique and changing lifetime financial goals.

PURE's vision is to serve our client's interests by bringing experienced and credentialed financial advisors together within a scalable business model that is designed to promote transparency, adhere to academic standards for financial planning and asset management while reducing conflicts of interest.

PURE's financial advisors who are assigned to develop and recommend financial strategies to the client are employees of PURE acting as the client's fiduciary.

PURE's financial advisors generally are credentialed professionals such as CERTIFIED FINANCIAL PLANNER™ professionals, Certified Public Accountants, or CFA (Chartered Financial Analyst Charterholders) with at least five years of financial industry experience. Typically, we require that financial advisors attain the Accredited Investment Fiduciary (AIF®) credential to show a commitment to the fiduciary standard. If you have any questions about the designations mentioned in this brochure, please visit www.purefinancial.com.

PURE follows a process of educating the client, evaluating client goals and resources, and then developing appropriate strategies to meet client goals. We offer assistance with implementing and monitoring client strategies to assess effectiveness towards achieving current and future client goals.

Pure Financial Advisors, LLC's principal place of business is:

3131 Camino Del Rio North, Suite 1550, San Diego, CA 92108 Phone: (877) 222-6044

Branch office locations:

- | | |
|--|-----------------------|
| • 3040 Saturn Steet, Brea, CA | Phone: (714) 924-7447 |
| • 1784 Picasso Ave, Davis, CA | Phone: (530) 758-2885 |
| • 2020 Main Street, Irvine, CA | Phone: (949) 777-4130 |
| • 6320 Canoga Ave, Woodland Hills, CA | Phone: (818) 805-5500 |
| • 7000 E. Belleview Ave, Greenwood Village, CO | Phone: (303) 327-7873 |
| • 5 Revere Drive, Northbrook, IL | Phone: (708) 350-7873 |
| • 7525 SE 24 th Street, Mercer Island, WA | Phone: (206) 710-9309 |

Principal Owners

PURE is a limited liability company (LLC), which is indirectly owned (through PFA Acquisition 1, LLC and other intermediate holding entities), by certain personnel of PURE as well as by Lee Equity Partners Fund III(A), L.P. and other investment funds managed by Lee Equity Partners, a privately held New York-based private equity firm.

Pure Financial Advisors, LLC offers the following advisory services to our clients:

Financial Planning

We provide financial planning services. Fees are negotiable depending on the complexity of the client's financial situation and the actual services provided. Financial planning can be a limited engagement to assess, review or make recommendations on a specific issue. Financial planning can also be a comprehensive evaluation process in which numerous strategic recommendations are given. These recommendations may be applicable to the client's current and/or assumed future financial state. Variables based on the client's situation as well as historical and current market conditions may be used to project estimates of future cash flows, asset values and withdrawal strategies. Throughout the financial planning process, relevant client information and projections are considered.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. After completing a review and analysis of the information provided by the client, we develop analyses and recommendations, which are presented to the client.

The forecasted impact of this information is then analyzed over the client's expected life. Financial planning is also offered as a continuous engagement of planning review, strategic adjustments, and implementation. In general, the financial planning services can address any of the following areas:

Personal

We review family records, budgeting, personal liabilities, estate information and financial goals.

Cash Flow

We analyze the client's current and future cash flow needs. We then illustrate the possible impact of various tax strategies and investment decisions on the client's future ability to create the income desired.

Tax Planning

We review the client's current tax situation including income, investments, deductions, estate issues, and current tax law to identify opportunities for reducing current and future tax liabilities.

Investments

We analyze the client's current investment resources to determine how they might align with the client's objectives. During this analysis we review the tax efficiency, fees and expenses, diversification, risk and investment performance.

Risk Management

We review potential threats to the client's financial well-being from unexpected circumstances and then propose strategies to manage risks. We analyze existing insurance policies to assess recommended coverage for life, health, disability, long-term care, liability, home and automobile.

Estate Planning

We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, estate tax strategies, powers of attorney, asset protection plans, long-term care, and Medicaid.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Should the client implement the plan recommendations, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or investment advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

To participate in this service, an estimate of time and cost will be determined during or after the initial consultation. Following this, the client will sign a Financial Planning Agreement outlining the terms and conditions of the engagement, the scope of services to be provided, and the fees due. Typically, financial plan recommendations will be presented to the client within six months of the contract date, provided that all necessary information has been promptly provided. It's important to note that financial planning recommendations may present a potential conflict of interest, as PURE may have an incentive to recommend investment services offered by the firm. However, clients are under no obligation to implement any recommendations made or maintain an ongoing relationship with the Advisor. Financial planning engagements terminate upon delivery of the plan.

Portfolio Management

Our firm provides portfolio management services to clients using asset allocation portfolios. Each portfolio is designed to meet a particular investment profile in terms of risk and expected return over specific time horizons.

We have portfolios designed to meet specific risk and expected return profiles. These portfolios have equity exposure from 0% to 100% and can be structured with a combination of ETFs, no-load index funds, mutual fund shares, and/or stocks or bonds. Generally, portfolios are globally diversified to control the risk associated with traditional markets.

We manage these advisory accounts on a discretionary basis. Portfolio selection and account supervision is guided by the client's cash flow needs, risk tolerance, stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax planning considerations.

We can also manage several accounts of differing account tax structures within a single portfolio allocation to create a tax profile designed to increase tax efficiency.

Through our financial planning process, we include personal discussions with the client in which the client's goals and objectives are established and identified in the client investment policy statement (IPS). Once we determine the suitability of a portfolio, the portfolio is managed to meet each client's individual needs. Clients retain individual ownership of all accounts and securities.

Our recommendations are not limited to any specific investment offered by a custodian or fund family and will generally include advice regarding the following securities:

Exchange Traded Funds (ETF)
Mutual fund shares

Stocks and bonds
Options

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

- Request that each Portfolio Management Services client engage in a process of continuous financial planning and plan implementation with us. Exceptions are made, for example when there are pre-existing assets or related households.
- We match portfolio trade requests to the client's current risk tolerance questionnaire (RTQ) or investment policy statement (IPS).

- Each client account is reviewed on a regular basis to assure that the portfolio is within specified tolerances.
- During periodic plan reviews we request any updated information regarding changes in the client's financial situation and investment objectives.
- We are available to consult with the client regarding any changes that could affect the appropriateness of a portfolio.
- We maintain client suitability information in each client's records.

Transitional Portfolio Management

Our firm provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client. Through a financial planning process that includes personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy to manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Individual portfolio management services are designed to accommodate existing client assets during a limited transition period to avoid short-term adverse tax consequences when transitioning to a PURE portfolio. We evaluate investment securities including exchange traded funds (ETF), mutual fund shares, stocks and bonds, options, and any other investment vehicles we believe will help the client meet their objectives.

Sub-Advisory Services

In managing client portfolios, our firm may utilize the services of sub-advisors for specific asset classes, such as bonds. These sub-advisors are selected based factors such as investment philosophy, track record, and expertise in bond markets. Our firm may allocate a portion of client assets to the sub-advisor to benefit from their specialized knowledge and experience in bond investing. Clients should be aware that while we exercise discretion in selecting and monitoring these managers, their investment decisions are independent of our firm's direct control. The sub-advisor is responsible for continuously monitoring client accounts and making trades in client accounts when necessary. We do not have any trading authority with respect to your designated account managed by the sub-advisor. The sub-advisor will receive an investment advisory fee based on the bond strategy fee schedule established by the Client with the unaffiliated sub-advisor, in addition to the fee paid to PURE. We are available to answer questions that clients may have regarding their account and act as the communication conduit between the client and the sub-advisor.

Pension Consulting Services

We provide Pension Consulting Services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to corporations, individuals and trusts, estates, and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

Investment Policy Statement (IPS) Preparation

We will meet with the client to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various investment vehicles to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined in consultation with the client.

Monitoring of Investment Performance

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. We supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide annual educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Held Away Accounts

PURE has the option to utilize a third-party platform, Pontera Order Management System ("Pontera") for the direct management client 401(k)s, 403(b)s, or other employer-based retirement plan participant accounts, over which we have discretion. Pontera allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to Pontera, we will review the current account allocations. Client account(s) will be reviewed periodically, and allocation changes will be made as deemed necessary. We are not affiliated with Pontera in any way and receive no compensation from them for using their platform. Pontera charges PURE an annual percentage fee based on assets under management. Clients do not incur additional charges for this service.

Managed Variable Annuities

We may include the management of Variable Annuity (VA). We have approved VA carrier products for this service. We manage various model portfolios for each VA carrier product, the portfolios are actively managed for the client on a discretionary basis. The investment selections for the VA are limited to the choices offered through the specific product. Specifics regarding the annuities are found in the annuities' prospectuses and application documents. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

Asset Under Management

Asset Under Management as of March 25th, 2024

	Discretionary	Non-Discretionary	Total
Assets Managed	\$ 6,194,701,331	\$ 98,112,989	\$ 6,292,814,320

Item 5 Fees and Compensation

Fees and Expenses

We charge fees for advisory services such as financial planning and asset management. We offer a complimentary, no obligation limited engagement financial planning service known as a "Financial Assessment". Our comprehensive financial planning engagement fees such as the "Foundation Financial Plan" are calculated on a flat fee basis and quoted in advance. If client engages PURE in the Foundation Financial Plan and PURE is managing client's assets, then continuous financial planning and plan implementation is included in the asset management fee. Asset management fees are based on the ending quarterly gross value of the asset accounts that are managed by us. Clients provide the Custodian with written authorization permitting PURE to be paid directly from their accounts for asset management. Please refer to the 'Custody' section (Item 15) of this Form ADV for additional details.

Foundation Financial Planning Fees

Our financial planning fees are determined based on the level of the services being provided and the complexity of each client's circumstances, typically ranging from \$1,000.00 to over \$5,000.00. The negotiated fees may be higher or lower based on the scope and complexity of the plan to be prepared. All financial planning fees are agreed upon prior to entering into a contract with a client. All financial planning services contracts may be terminated by a written notice within five days of contract signing with a full refund. Contracts terminating by written notice after five days of contract signing will receive a refund for payments received adjusted for work performed at the standard \$275.00 per hour rate for planning time actually spent. Advance payment will never exceed \$1,200.00 for work that will not be completed within six months.

Continuous Financial Planning and Plan Implementation

When we implement and maintain a Foundation Financial Plan, and manage assets directed by the Foundation Plan, the asset management fee will include continuous financial planning and plan implementation advisory services. Generally, a Foundation Financial Plan is required as a prerequisite to this service, however exceptions can be made for certain clients such as pre-existing assets and related households.

Portfolio Management

Our fees for portfolio management services are based upon a percentage of assets under management and generally range from .40% to 1.60% annually depending on the total quarterly ending gross value of the client's managed accounts.

Asset management fees are deducted quarterly in advance from client investment accounts. Billable account values are calculated on the last business day of the calendar quarter. The asset management fee for the initial partial calendar quarter on capital inflows and outflows exceeding \$100.00 will be prorated and billed on the next quarterly billing. In addition, any future capital inflows and outflows exceeding \$100.00 will be prorated and increase or reduce fees due on the next quarterly billing. Either party may terminate the advisory contract for asset management at any time without cause by providing the other party notice in writing. Fees will be prorated to the date that written notification of contract termination is received or sent by us. We will refund the unearned portion of pre-paid asset management fees to the client.

The annualized fee for portfolio management services will be charged as a percentage of assets under management, according to the following schedule:

Fee Schedule

<u>Assets Under Management</u>		<u>Progressive Annual Fee</u>		
Pure Level I	\$0	to	\$350,000	1.60% annually
Pure Level II	\$350,001	to	\$500,000	1.25% annually
Pure Level III	\$500,001	to	\$650,000	1.00% annually
Pure Level IV	\$650,001	to	\$800,000	.80% annually
Pure Level V	\$800,001	to	\$1,100,000	.70% annually
Pure Level VI	\$1,100,001	to	\$2,000,000	.60% annually
Pure Level VII	\$2,000,001	to	\$10,000,000	.50% annually
Pure Level VIII	\$10,000,001	to	and higher	.40% annually

Example:

If PURE is managing \$1,200,000 of assets for Client's household, \$350,000 @ 1.60% plus \$150,000 @ 1.25%, plus \$150,000 @ 1.00%, plus \$150,000 @ .80%, plus \$300,000 @ .70%, plus \$100,000 @ .60% the total fee would equal an annualized 1.07%. The current fee of ~ .27% (1.07 x .25) would be billed for the following quarter.

PURE calculates the management fee against all assets in the investment account. Therefore, fee calculations include cash balances invested in money market funds, short-term investment funds, ETFs, mutual funds, the entire market value of margined assets and short positions (if any), alternative investments (if any), and all other investment holdings.

Pension Consulting Fees

For pension, profit sharing, and 401(k) trustee-directed plans with individual plan participants, in which PURE is a service provider, the billing arrangements can vary due to the recordkeeper and client preferences. Generally, each plan recordkeeper provides automatic calculations and payment of invoices. We reserve the discretion to reduce or waive the hourly fee and/or the minimum fixed fee and provide services for a flat fee as opposed to an asset-based charge. Given the constant flow of assets into and out of plans, intra quarter flows are typically not considered in the calculation of fees.

Sub-Advisory Services

There will be additional fees associated with any sub-advisor services. Please see their ADV Part 2A and advisory agreement to review the sub-advisor's fees, calculations, and methodology. PURE does not receive any portion of fees from the custodian or from the sub-advisor. Management fees charged by PURE are separate and distinct from those set by the sub-advisor.

Form 5500-EZ Filing Services

We may advise our clients to consider Individual 401(k) plans, which may necessitate filing Form 5500-EZ with the IRS. This form provides essential details about the plan's financial status, participant

numbers, and administrative particulars. Given the unique nature of this filing obligation, PURE offers an additional service to prepare the filing for a flat fee which may be waived. It's important to note that while such fee arrangements may raise concerns about conflicts of interest regarding recommended retirement accounts, your advisor, well-versed in each client's circumstances and offering tailored guidance, does not directly benefit from this service fee.

Form 5500-EZ is utilized by one-participant plans not subject to section 104(a) requirements of the Employee Retirement Income Security Act of 1974 (ERISA) to fulfill specific annual reporting obligations outlined in section 6058(a) of the Code. The IRS, pursuant to its authority to regulate tax preparers under Treas. Reg. 1.6109-2, excludes 5500 filings from its definition of tax returns under Circular 230 and PTIN (Preparer Tax Identification Number) requirements in Notice 2011-6.

Termination of the Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Billing Exceptions

On a client-by-client basis, we can use discretion to deviate from the aforementioned fee schedule and charge a fixed percentage fee. While discounts are not generally available to our advisory clients, we will evaluate the circumstances when negotiating our fees. Certain legacy client agreements may adhere to fee schedules that differ from our current practices. Furthermore, PURE has acquired other advisory firms. Specific legacy clients of those firms may be subject to the billing practices in effect when they become clients of those firms. For example, per the terms of their original agreement with the acquired firms, those clients may be subject to billing practices such as billing in advance versus arrears or other arrangements that may differ from PURE's standard billing practices.

Mutual Fund Fees

All fees paid to PURE for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees may include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge (it is PURE's policy to not use funds that impose a sales charge). A client could invest in a mutual fund directly (institutional mutual funds are not directly available to individual investors), without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager who effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Educational Seminars and Workshops

Fees for educational seminars and workshops may be charged either to participants through a pre-determined price (typically \$49) or a sponsoring company via a flat fee. In limited circumstances, the

fees may be waived. The information provided at these events is impersonal in nature and not specific to any attendee's specific financial situation.

Disclosure for Retirement Investors

PURE is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income Securities Act of 1974 ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, PURE may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. In instances where a qualified retirement plan will not allow for direct deduction of advisory fees; deduction can be made from the client's non-qualified brokerage account with PURE.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services.
- Give you basic information about conflicts of interest.

Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. Additionally, some clients may be on different prior fee schedules.

Limited Prepayment of Fees

Under no circumstances do we require or solicit payment of fees in excess of \$1,200.00 more than six months in advance of services rendered.

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

PURE does not charge performance-based fees or other fees based on the share of capital gains or capital appreciation of client's assets.

Item 7 Types of Clients

PURE provides advisory services to the following types of clients:

- Individuals and High Net Worth Individuals

- Trusts, Estates or Charitable Organizations
- Pension and Profit-Sharing Plans (other than plan participants)
- Corporations, Limited Liability Companies and/or other Business Types

PURE does not have a minimum asset requirement to become a client.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss
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We firmly believe in a financial Planning-centered approach to wealth management and investing. Accordingly, the specific strategy that we recommend and/or implement is based on each client's specific situation. To ensure comprehensive decision-making, we rely on an Investment Committee, which utilizes various analysis methods and research. These methods include modern portfolio theory, asset correlation, and academic-based financial research, all aimed at identifying persistent historical patterns to guide current decisions. We continuously evaluate our investment strategies against the latest research data to enhance our portfolios and financial strategies. However, it's important to note that while historical guidance can be helpful, the future is inherently unpredictable. Clients must be prepared to accept the risks associated with any investment strategy, as we do not guarantee future portfolio performance or the success of any recommended strategy.

We utilize several significant strategies in an effort to affect the net investment results of our portfolios. Our primary investment objective is to produce an acceptable level of after-tax purchasing power growth relative to our client's unique lifetime financial goals. We use strategies that are designed to diversify investment risk, manage portfolio volatility, manage performance risk over time, manage erosion from taxes, manage erosion from expenses and manage sustainable income distributions. Our strategies include the following:

Asset Diversification Strategy

We use portfolios that spread investment risk over multiple asset classes. We utilize classes such as domestic equities, international equities, domestic fixed income, international fixed income, and several alternative asset classes as well as sub-sets of these broad asset classes.

Asset Class Diversification Strategy

We choose to broadly diversify each asset class in our portfolios across the broad market represented by the asset class.

Asset Allocation Strategy

Asset allocation is constructing portfolios with different asset classes that have a history of differing and partially offsetting volatility patterns. If the asset classes are combined in efficient proportions, the overall portfolio volatility may be reduced relative to the expected return.

Tolerance Based Rebalancing Strategy

All individual portfolio assets are periodically checked against the allocation model. If an individual asset within a portfolio is out of tolerance, the asset is manually reviewed for an opportunity to rebalance the portfolio.

Asset Location Strategy

To manage the net after tax total return over time, we can unify multiple accounts of differing tax structures and manage them under one portfolio. By matching the individual asset tax characteristics with a complementary account type from a tax perspective, net after tax returns may be improved. As a simplified example, if the portfolio is 50% bonds and 50% stocks, then the bonds may be placed in

an IRA because the bond interest is taxed as ordinary income and IRA distributions are also taxed as ordinary income. Bonds generally have a lower expected future return than stocks and any growth in an IRA is currently taxed at an individual's highest rate. The stocks may be placed in a taxable or trust account because long term stock gains may be taxed at lower long-term capital gain tax rates when in a taxable account. If the stocks were placed in the IRA, then the long-term stock gains would be taxed at typically higher ordinary income tax rates. If a Roth account is present, we will attempt to direct more stocks there than bonds because of the higher future expected return of stocks and the Roth's overall tax-free nature. We have created an asset ranked tax grouping system to direct assets to an appropriate tax structure and to rebalance the overall portfolio across multiple tax structures.

Costs Matter

Investment costs are inevitable, but minimization of investment costs and taxes can enhance long-term performance. In an effort to control investment expenses and fees, we carefully consider costs of investment vehicles when considering whether to use them.

Income Management Strategy

Research indicates that certain individual factors may have a positive impact on maximizing the amount and duration of sustainable portfolio income distributions. We review and consider each of the following independent strategies to establish individual client income strategy recommendations.

- Adding asset classes tends to increase sustainable withdrawal rates.
- Certain asset ratios (equities vs. fixed income) tend to increase sustainable withdrawal rates.
- Tax efficient asset management tends to increase sustainable withdrawal rate.
- Laddering income from segmented portfolio pools tends to buffer return sequence risk.
- Rules based withdrawal adjustments tend to allow for higher starting withdrawal rates.
- Our retirement income management strategies incorporate some or all of these research findings to create a customized client retirement income investment strategy.

Option Strategies

For clients with special circumstances, we occasionally employ the use of options. Below are some of the main risks associated with investing in options:

- When writing covered call options to produce income for a client's account, there can be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor.
- Clients could be required to open a margin account to invest in options, which carries additional risks and could result in margin interest costs to the client.
- Option positions can be adversely affected by company specific issues (the issuer of the underlying security) which include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers, and acquisitions. In addition, market related actions, political issues, and economic issues can adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
- Changes in value of the option do not always correlate with the underlying security, and with some strategies the account could lose more than principal amount invested.
- Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in options involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. Because of the inherent risk of loss associated

with investing, we are unable to represent, guarantee, or even imply that PURE's services and 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.

Risks for all forms of analysis

- Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither our firm nor our management persons have any reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Adult Education

Our financial advisors teach adult education programs with a focus on retirement planning and investing. These classes are typically held by colleges and universities and may be part of the regular adult education class curriculum. Our advisors may be required to register with the college as adjunct faculty and receive compensation for teaching the class.

Clients should be aware that the receipt of additional compensation by PURE and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We attempt at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees.
- We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives and risk tolerance.
- Our firm conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- We educate our advisors regarding the responsibilities of being a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

PURE and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

PURE's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You can request a copy by email sent to compliance@purefinancial.com or by calling us at 877-222-6044.

PURE and individuals associated with our firm are prohibited from engaging in principal transactions or agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal account securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest.

Item 12 Brokerage Practices

PURE utilizes the services of independent third-party custodians to maintain custody of assets managed by the firm.

PURE participates in the institutional advisor program of qualified custodians; Charles Schwab & Co., Inc. ("Charles Schwab"), National Financial Services LLC ("Fidelity"), and Axos Clearing, LLC to maintain custody of clients' assets and to effect trades for their accounts. All custodians are members of FINRA/SIPC. PURE is independently owned and operated and not affiliated with any custodian. PURE does not permit clients to direct brokerage to any other specific broker-dealers.

Although PURE may recommend a particular qualified custodian, it is the client's decision whether to open an account. If the client chooses to open an account, the account agreement will be opened directly with the custodian of the client's choice. Custodians may charge fees unrelated to PURE's asset management fee. These fees could be brokerage commissions or transaction fees for effecting security transactions. In addition to PURE's asset management fee, clients incur fees for mutual fund management and other fund expenses.

For our client accounts maintained in its custody, qualified custodians do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into accounts. Custodian services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Products and services offered by our custodians that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing, and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Custodians also offer other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

PURE does not receive fees or commissions from any of these arrangements, although PURE may benefit from electronic delivery of client information, electronic trading platforms and other services provided by custodians for the benefit of clients. PURE may also benefit from other services provided by custodians, such as educational events, practice management advice, and occasional business entertainment of our personnel. Custodians may make available, arrange and/or pay third-party vendors for the types of services rendered. Custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. These benefits are standard in a relationship with these custodians and are not in return for client recommendations or transactions.

In addition, we offer investment management services for clients with variable annuity products, employer-sponsored retirement plans, and 529 college savings plans. We advise on allocating assets within these plans, held either by the issuing insurance company or a designated custodian. However, we don't guarantee the most favorable transaction execution, and recommended platforms may have higher costs. As noted previously, the firm may use sub-advisors to manage some or all of certain clients' portfolios. The brokerage and trading practices of the Sub-Advisor will be disclosed in the Sub-Advisor's Disclosure Brochure (ADV Part 2A).

Trade Errors

PURE has a legal and fiduciary obligation to ensure that clients are not disadvantaged by trade errors in any way. A trade error is an error in the placement, execution, or settlement of a client's trade. When a trade error occurs, PURE works with all relevant parties in the trading process to promptly correct the error while ensuring it does not disadvantage the client. PURE's policies and procedures generally provide that if an error is made, whether that error results in a gain or a loss, PURE corrects the error, which may include moving the trade to an "error account" held by PURE. PURE bears all costs (if any) of correcting the error.

Aggregation and Allocation of Client Trades

PURE evaluates trades on a client-by-client basis. On any given day, the number of securities traded that are common across clients will vary greatly. When possible, PURE utilizes software programs to enhance its trading efficiency including the aggregating or blocking of trades in securities across clients. Upon execution, the pricing of such blocked trades is averaged and proportionately allocated among the corresponding client accounts. Given normal trade size and depth of the market for such securities, PURE's execution of aggregated trades is not expected to have a material impact on pricing.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation file. If the order is partially filled, it will be allocated pro-rata based on the allocation file. PURE's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with custodian, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered out to the custodian as soon as practicable following the settlement. PURE will receive no additional compensation of any kind as a result of the proposed aggregation.

Item 13 Review of Accounts

Portfolio Management Reviews

Underlying securities within Portfolio Management accounts are regularly monitored and reviewed by our portfolio management department to identify opportunities to systematically rebalance, harvest tax losses, and manage cash positions. Accounts are reviewed in the context of the investment objectives and guidelines of each portfolio as well as any investment restrictions provided by the client. More frequent reviews by the client's Financial Advisor may be triggered by material changes in variables such as the client's individual circumstances.

Reports

In addition to the monthly statements and confirmations of transactions that clients receive from the custodian, we provide electronic access to reports summarizing account performance, balances,

holdings, and fees assessed. Quarterly performance reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives. Printed client reports are available upon request.

Clients should always check to ensure that custodian reporting is consistent with reporting received from PURE. Clients should contact compliance@purefinancial.com if major inconsistencies appear in report(s) and/or if reporting is not received.

Financial Planning Reviews

Financial plans that are implemented and monitored by PURE under a continuous engagement agreement are reviewed by the client's assigned Financial Advisor. The Financial Advisor will review the plan annually through a series of meetings throughout the year.

Reports

Financial Plans that are under a continuous monitoring agreement have multiple reports available through an encrypted client website. Foundation Plan clients who do not implement through PURE will receive a completed financial plan or report documenting the planning engagement results. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation
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PURE engages independent solicitors to provide client referrals. If a client is referred to PURE by a solicitor, this practice is disclosed to the client in writing by the solicitor. PURE will disclose these arrangements to affected investors, and any agreements will comply with SEC rule 206(4) under the Investment Advisers Act of 1940. Solicitors introducing clients to PURE may receive compensation from PURE, such as a retainer, a flat fee per referral and/or a percentage of advisory fees. Such compensation will be paid pursuant to a written agreement with the solicitor and generally may be terminated by either party from time to time. As a matter of firm practice, the advisory fees paid to us by clients referred by a solicitor are not increased as a result of any referral relationship. The solicitors do not supervise PURE nor have responsibility for PURE's management of client portfolios or PURE's other advice or services.

From time to time, PURE may receive third-party endorsements from publications, rating services, or other organizations. These endorsements may include, but are not limited to, ratings, awards, or testimonials. These ratings may be based on various factors, including the firm's assets under management growth history, and/or client reviews. While these endorsements provide valuable information for clients who are evaluating PURE, we caution against relying solely on such endorsements when making investment decisions. Further the ratings are not indicative of future performance.

PURE was previously a participant in TD Ameritrade Institutional's AdvisorDirect program, which has been acquired by Charles Schwab. Although PURE no longer participates in the referral program, we continue to service and receive compensation for accounts opened while participating. PURE does not charge clients referred through the referral program any fee or expense higher than its standard fee schedule or otherwise pass referral fees payable to Charles Schwab to clients. This solicitation fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to PURE.

Other Specialized Professionals

We often refer clients to technical or specialized professionals (e.g., attorneys, accountants, insurance providers, or consultants) with whom we have relationships. No client is obligated to retain or engage any professional service provider we refer. Neither PURE nor the outside professional receives compensation for the referral.

Item 15 Custody

PURE strives to create as many safeguards for its clients' assets as possible. It is our policy to not accept physical custody of your funds or securities at any time. Although PURE does not take custody or possession of the funds or securities that a client has placed under its management, PURE is deemed by the SEC to have limited custody of those accounts where the fees are debited directly from the client's custodian account. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account value and performance statements with our billing summary on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings, and values are correct and current.

Standing Letters of Authorization or Instruction

Custodians have long provided clients with the option to set up periodic transfers from their accounts to third parties, known as "Standing Letters of Authorization" (SLOA) or similar terms. With the client's signed documentation, these transfers can be directed by the client. When a client authorizes a SLOA, PURE can execute transfers of funds or securities on their behalf to designated third parties. While the Custodian physically holds the client's assets, PURE is considered to have constructive custody in accounts where the client has granted written and signed authority to instruct the custodian for such transfers. This information, along with the number of accounts and assets, is detailed in Form ADV Part 1, Item 9. Moreover, PURE relies on the SEC's no-action letter issued to the Investment Adviser Association in February 2017 and thus doesn't require a surprise audit for these assets.

Item 16 Investment Discretion

Clients may engage us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell,
- Determine the amount of the security to buy or sell and
- Determine the timing of when to buy or sell.

Clients give us discretionary authority when they sign a limited power-of-attorney (LPOA) for full trading authorization through their custodian and a discretionary agreement with PURE. Clients may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. For clients for whom a Sub-Advisor has been engaged, the Sub-Advisor will have discretionary authority to buy, sell, exchange, and otherwise trade securities within the client account. The investment strategies of the Sub-Advisor will be disclosed in their Disclosure Brochure (ADV Part 2A).

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Our clients are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote proxies, if clients have questions about a particular proxy, they should feel free to contact us. However, the client has the ultimate responsibility for making all proxy-voting decisions. We will not be deemed to have proxy voting authority solely as a result of providing advice or information about a vote to a client.

Item 18 Financial Information

PURE is not required to provide financial information to its clients because:

- Under no circumstances do we require or solicit payment of fees in excess of \$1,200.00 per client more than six months in advance of services rendered.
- The firm does not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.
- The firm has never been the subject of a bankruptcy petition.