

# **Fiduciary First, LLC**

dba NFP Retirement, Inc.

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March 2024

## **FORM ADV PART 2A**

### **BROCHURE**

The Form ADV Part 2A ("Brochure") provides information about the qualifications and business practices of Fiduciary First, LLC. ("Fiduciary First"). For any questions about the contents of the Brochure, please contact the Compliance Department at 407.740.6111. 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 with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. The information provided in this Brochure should not be considered a recommendation to purchase or sell any particular security. We encourage you to review the Brochure and its supplements. Additional information about Fiduciary First, LLC is also available on the SEC's the website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Fiduciary First, LLC is 150330.

## Item 2 Summary of Material Changes

In this “Summary of Material Changes” the Adviser discusses material changes since the last annual update of this brochure in March 2023.

Material changes from the previously filed ADV Part 2 is to disclose changes to the Chief Compliance Officer and provide additional information related to Custody in Item 15. The Privacy Policy section was revised and Fiduciary First’s Privacy Notice can be provided upon request.

In addition, disclosure has been added under Item 10 to reflect Great Gray Trust Co. (“Great Gray”) is under common control with Fiduciary First, and may be considered an “affiliated” company under applicable law. Great Gray provides collective investment trusts (“CITs”) for use by retirement plans, including, without limitation, those subadvised by flexPATH Strategies, LLC.

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## Item 4 Advisory Business

### Description of Services and Fees

Fiduciary First, LLC ("Adviser") is a registered investment adviser based in Central Florida. The Adviser is organized as a limited liability company under the laws of the State of Florida and the Adviser provides investment advisory services and Retirement Plan Fiduciary Process services referred to as "Prudent Fiduciary Process". The Fiduciary First consulting platform has been offered through third party intermediaries since 1985.

As of October 1, 2018, Fiduciary First LLC was wholly acquired by NFP Retirement Inc. and its affiliated owners. However, Fiduciary First will maintain its separate registration as an investment adviser. NFP Retirement Inc. is owned by NFP Corp. NFPR provides comprehensive qualified and non-qualified retirement plan consulting, investment advice and fiduciary due diligence services, employee plan and investment education, asset allocation services, plan service provider proposal and provider research and analysis, and plan design guidance to individuals, qualified and non-qualified retirement plan sponsors, and business entities. The Adviser also provides asset management and investment and financial consulting services for individuals to help meet their financial goals while remaining sensitive to risk tolerance and time horizons.

The Adviser's retirement plan consulting services are tailored to meet the needs and objectives of the Plan and the Plan sponsor, investment committees, and other fiduciaries responsible for managing the Plan (individually, a "Plan Fiduciary" and collectively, the "Plan Fiduciaries"). Retirement plan consulting services the Adviser provide may include, but are not limited to, one or more of the following:

- **Managing the organizational, Plan goals and success objectives of the Plan** - interview the Plan Committee and benchmark successful fulfillment of plan objectives.
- **Managing a robust and consistent Fiduciary Process on behalf of the Plan** -set up a quarterly calendar of fiduciary behaviors and document the process.
- **Maintain a server based encrypted "Client Lockbox "** - hold all relevant documentation regarding plan fiduciary process and maintain a living record of fiduciary process.
- **Developing and implementing a written Investment and Education Policy Statement** - submit draft for Plan Committee approval and monitor the Plan's adherence to the Statement.
- **Developing, Evaluating and monitoring Plan investments and investment options** - use of highly advanced analytical tools to confirm compliance with the policy statement and ERISA, GFOA and other governance bodies.
- **Monitoring and managing the Plan's pursuit of Safe Harbor Status and other Risk Management Strategies** - assist with processes in place to accomplish various safe harbors including Regulation 404(c).
- **Third party investment manager/mutual fund searches and recommendations** - via proprietary benchmarking and ranking technology.
- **Asset allocation advice** - for plan portfolios that are not participant directed; Efficient Frontier modeling and asset allocation guidance.
- **Legal and Compliance Research** - assist with use of internal and outsourced legal and technical resources.
- **Plan Design** - in coordination with the plan's designated recordkeeping vendor and in conjunction with Plan Committee goals; develop strategies to implement client objectives.
- **Establishment of Benchmarks** - assist with comparison and contrast dozens of plan profile characteristics and information with plan peer group.
- **Bonding and Insurance** - request and verify current coverage and hold copies in Client Lockbox.
- **Vendor relationship management/coordination** - assist with routine vendor interaction and coordination of Plan Committee decisions.

- **Analysis of investment segmentation** - opine on investment styles, overlap and style drift.
- **Fiduciary Review and Provider Benchmarking** - assist with routine review of internal fiduciary processes and benchmark against peer group.
- **Firm, operational and Investment fiduciary advice** - serve in the capacity as an ERISA 3(21) investment advisor or ERISA 3(38) investment manager as defined by the service agreement for these services.
- **Monitoring and management of plan committee activities** -assist with quarterly schedule of plan committee due diligence.
- **Executive benefits** - if requested; assist with advisory on non-qualified deferred compensation plans.
- **ERISA trust merger and acquisition** - assist with due diligence and fiduciary process on acquisitions and divestitures of entities sponsoring retirement plans.
- **Fiduciary process outsourcing** - provide robust and comprehensive process as coordinated with the client.
- **Education & Regulation 404(c) Compliance** - review existing internal fiduciary process and recommend adjustments to comply with regulation 404(C) or other risk management strategies.
- **QDIA Compliance** - review existing internal fiduciary process and recommend adjustments to comply with regulation 404(C)5.
- **Fee and cost oversight** - assist with development of an ERISA or retirement plan budget and monitor routinely.

The Adviser will provide retirement plan consulting services to Plans and Plan Fiduciaries as described above. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain the Adviser; (ii) agree to the scope of the services that the Adviser will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that the Adviser may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan.

Retirement plan consulting services are offered individually or as part of a comprehensive suite of services which can be used with any Plan provider, record keeper, or Plan administrator.

### **Types of Investments**

The Adviser primarily offers advice on 1940 Act registered funds ("mutual funds"). The Adviser may also recommend third party investment managers and may provide advice on annuity contracts or on publicly traded securities.

### **Agreement Termination**

Agreement may be terminated by any party effective upon receipt of written notice to the other parties. Clients who terminated mid-calendar quarter will incur a pro rata charge for services rendered from the quarter begin date through date of termination. If clients have pre-paid advisory fees they will receive a refund of any unearned fees prorated from termination date through quarter end.

### **Assets Under Management**

As of December 31, 2023, the Adviser provides management services for \$2,363,436,792 in client assets on a discretionary basis and \$944,140,348 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

Our annual fee for retirement plan consulting services is billed quarterly in advance based on the market value of the Plan's assets on the last day of the preceding quarter and based on the following negotiable fee schedule:

<b>Value of Plan Assets**</b>	<b>Annualized Fee Range</b>
First \$5,000,000	0.50% to 1.00%
\$5,000,001 - \$10,000,000	0.40% to 0.50%
\$10,000,001 - \$40,000,000	0.20% to 0.40%
\$40,000,001 - \$100,000,000	.08% to 0.20%
Above \$100,000,000	Negotiable

\*\*Assets managed by third party advisers or plan assets outside primary custodial care are included in the value of Plan assets for purposes of calculating our advisory fee. In some cases clients may pay a flat percentage based fee in lieu of the fee schedule above. Payment of our fees may be incorporated as part of a bundled fee payable to the Plan's administrator who will in turn remit the fee to the Adviser.

If the consulting agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is rounded to the whole quarter.

The Adviser may also provide Retirement Plan consulting services on a project or a-la-carte basis. For such services, the Adviser may charge clients a negotiable hourly fee ranging from \$125.00 per hour to \$400.00 per hour. In the alternative the Adviser may charge a negotiable fixed fee ranging between \$10,000 - \$300,000. This may occur in special circumstances and only as authorized by the client in situations where services include retroactive form or operational defect repair or other special circumstances or projects requested by the client.

The Adviser may require an upfront retainer from clients which will be credited against the asset-based fee, hourly fee or fixed fee, as applicable. Hourly fees and/or fixed fees are generally due and payable on a monthly basis, in arrears, or upon completion of the services rendered. Other fee arrangements may be made on a case-by case basis. Clients may also be responsible for paying any of our travel costs incurred in connection with providing services.

Retirement plan consulting fees may be payable directly to the Adviser through a deduction of fees at the qualified custodian where the client provides written authorization. The qualified custodian shall deliver an account statement no less than quarterly to the client. The Adviser encourages clients to review all account statements for accuracy.

### **Additional Fees and Expenses**

The client will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

The Adviser may provide advice on mutual funds, ETFs, and other managed products or partnerships in clients'

portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the service fees paid to the Adviser. The Adviser, from time to time, may select or recommend to separately managed clients the purchase of proprietary investment products. To the extent the client's separately managed portfolio includes such proprietary products the Adviser will adjust the client's fee associated with the client's separately managed account. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Adviser. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Adviser to fully understand the total amount of fees to be paid by the client and to thereby evaluate the Advisory services being provided.

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

Clients are not subject to higher fees/expenses when using a plan provider that offers the platform usage compensation. However, a conflict of interest exists for the Adviser where a plan provider offers platform usage compensation. This conflict is mitigated by the fact that the fee has a ceiling based on the needs of the Adviser to provide services to the plan and extra compensation goes to the Plan. Further, the fiduciary obligations as a registered investment adviser and as an ERISA plan service provider are such that the Adviser carefully monitors this activity to ensure clients do not pay fees in excess of their contracted amount.

### **Conflict of Interest Between Different Fee Structures**

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that offer a higher level of compensation to the Adviser through either higher management fees or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Adviser's Code of Ethics and to ensure that the Adviser and its associated persons fulfill their fiduciary duty to clients or investors.

Any material conflicts of interest between clients and the Adviser, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, the Adviser will provide clients with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

Fees are not based on a share of the capital gains or capital appreciation of managed securities. The Adviser may provide advice on certain types of investments that do charge a performance fee in which the Adviser does not participate. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees.

## **Item 7 Types of Clients**

The Adviser offer advisory services to retirement plans, governments, non-profit organizations, corporations and other business entities. The Adviser does not require a minimum Plan size to establish a client relationship.

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

### Methods of Analysis and Investment Strategies

The Adviser may use one or more of the following methods of analysis or investment strategies when providing investment advice to clients:

- **Charting and Technical Analysis** - Charting involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Technical Analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Fundamental Analysis** - Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Cyclical Analysis** - Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends. The risk of cyclical analysis is that Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

The Adviser also utilize the following methodologies:

- **Peer Group Ranking** - The Adviser rank from 1 (best) to 100 (worst) within an investment category (peer group).
- **Risk Reward within Universe** - The Adviser measure relative volatility of a fund against index and other funds within the Plan.
- **Fees Relative to Performance** - The Adviser perform a cost analysis of funds within peer group ranked against net performance within peer group.
- **Stock Intersection (Overlap)** - The Adviser cross reference fund equity and debt positions for redundancy and adverse concentration.
- **Style Drift** - The Adviser factor historical trend of funds within asset class.
- **Stewardship Grades** - The Adviser account for manager tenure, government investigations, fees, etc.

Our advice may vary depending upon each client's specific circumstances. As such, the Adviser determine advice based upon Plan constraints, predefined objectives and various other suitability factors. Plan restrictions and guidelines may affect the composition of portfolios.



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

## **Market, Security and Regulatory Risks**

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. The risk of loss described herein should not be considered an exhaustive list of all the risks that clients should consider. All investment programs have certain risks that are borne by the investor which are described below:

### **Market Risks:**

Economic and Market Volatility. Volatility could disrupt our investment strategy, decrease the value of our clients' portfolios and adversely impact profitability. At various times in the past, volatile market conditions have had a dramatic effect on the value of investments, both public and private. In addition, terrorist attacks, other acts of violence or war, health epidemics or pandemics, natural hazards and/or force majeure can affect the operations and profitability of client accounts. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. Any of these occurrences could have a significant impact on the return of a client's investments.

Liquidity Risk. Some investments are subject to limited liquidity. This means clients are not able to buy or sell securities quickly enough to prevent or minimize a loss. In addition, clients can be subject to high costs or losses due to wide bid-ask spreads or large price movements. In times of crisis, liquidity risk can even affect investments generally deemed "safe," including money market funds and similar investments.

Interest Rates Risk. The value of investments in client portfolios can be impacted by changes in the level of interest rates, the spread between rates, the shape of the yield curve and other rate related movements. These changes can be unpredictable and can cause losses.

Credit Risk. If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk.

Political Risks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

Environment, Social Responsibility and Corporate Governance ("ESG"). At the request of specific clients, we will make recommendations for ESG strategies that align with the request. In many cases, clients will provide us with their particular ESG parameters. Clients utilizing exclusionary investing strategies could underperform compared to other strategies recommended by us. ESG investments can exclude sectors or industries which could have a negative impact on client accounts. Pursuant to Department of Labor regulation, we will not use non-pecuniary ESG factors in selecting or recommending investments for ERISA plan clients unless meeting the conditions set forth in the regulation.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities.

The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Non-U.S. Investments. From time to time, the Adviser may provide investment advice in non-U.S. securities and other assets (through mutual funds and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as overall as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include: political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.

Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.

Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

### **Regulatory Risks:**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own Advisers, counsel and accountants to determine what restrictions may apply and whether a fund or fund lineup recommended by the Adviser is appropriate.

Fund Offering Limitations. For all funds offered the fund sponsor or provider generally has the right to suspend or limit units offered under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss.

Conflicts of Interest. In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Adviser and its associated persons.

Cybersecurity. Our information and technology systems can be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by our professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we have implemented various measures to protect the confidentiality of our internal data and to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we will likely have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could harm our reputation or subject it to legal claims and otherwise affect our

business and financial performance.

**Security Specific Risks:**

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Currency. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Large-Cap Stock Risk. Investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.

Small/Mid-Cap Stock Risk. Investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength.

Fixed-Income Market Risk. Economic and other market developments can adversely affect fixed-income securities markets in Canada, the United States, Europe and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market which may cause increased volatility in those debt securities and/or markets.

Risks of Investment in Futures, Options and Derivatives. Such strategies present unique risks. For example, should interest or exchange rates or the prices of securities or financial indices move in an unexpected manner, we may not achieve the desired benefits of the futures, options and derivatives or may realize losses. Thus, the client would be in a worse position than if such strategies had not been used. In addition, the correlation between movements in the price of the securities and securities hedged or used for cover will not be perfect and could produce unanticipated losses.

Digital Assets Risk. Digital assets represent a new and rapidly evolving industry, and the value of the shares depends on the acceptance of bitcoin. The trading prices of many digital assets, including bitcoin, have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including further declines in the trading prices of bitcoin, could have a material adverse effect on the value of the shares issued and such shares could lose all or substantially all of their value. The value of the shares is subject to a number of factors relating to the fundamental investment characteristics of bitcoin as a digital asset, including the fact that digital assets are bearer instruments and loss, theft, destruction, or compromise of the associated private keys could result in permanent loss of the asset, and the capabilities and development of blockchain technologies such as the Bitcoin blockchain.

ETF and Mutual Fund Risk. The returns from the types of securities in which an ETF and mutual fund invests may underperform returns from the various general securities markets or different asset classes. The securities in the underlying indexes (the "Underlying Indexes") may underperform fixed-income investments and stock market investments that track other markets, segments and sectors. Different types of securities tend to go through cycles of out-performance and underperformance in comparison to the general securities markets.

## Item 9 Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to an evaluation of Adviser or integrity of our management. We have no material information to report in response to this Item.

## Item 10 Other Financial Industry Activities and Affiliations

### **Brokerage Affiliations**

Some of the Adviser's and NFPR's IARs are registered representatives of Kestra Investment Services LLC ("KIS"), a third-party broker-dealer, and may suggest that clients execute transactions through KIS. If clients freely choose to execute transactions through KIS, such IARs may receive the normal commissions and/or other compensation as sales agents of the broker-dealer resulting from any securities transactions, presenting associated persons with a conflict of interest.

Furthermore, in implementing an investment strategy through relationships maintained by registered representatives, clients may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. Clients are advised that they are under no obligation to implement the plan or its recommendations through the Adviser's IARs that are registered representatives. Generally, these recommendations are based on the Adviser's perception of the breadth of services offered and quality of execution.

Under the rules and regulations of FINRA, KIS has obligations to maintain records and perform other functions regarding certain aspects of the Investment Advisory activities of its registered representatives in relation to certain Advisory accounts for which its registered representatives provide investment advice. These obligations require KIS to coordinate with, and have the cooperation of, the account custodian.

In order to fulfill its obligation, KIS has established a list of custodian and brokerage advisers with which it has arranged to obtain the required cooperation, and which therefore, may be utilized for custody of accounts directly advised either by registered representatives of KIS, who are Investment Advisers or other Investment Advisory entities which are affiliated with registered representatives of KIS. In certain instances, KIS will collect, as paying agent for the Adviser, the Investment Advisory fee remitted to the Adviser by the account custodian. KIS will retain a portion as a charge to the Investment Adviser (not the client) for the functions KIS is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay to the Adviser pursuant to the client's advisory agreement. A portion of the fee retained by KIS may be re-allocated to other registered representatives of KIS, who, as registered representatives of KIS, are responsible for the supervision of other representatives and assist KIS with the functions described above.

### **Financial Services Affiliations**

NFP Retirement Inc. and thereby Fiduciary First LLC are owned by NFP Corp. (NFP) and affiliated owners. NFP owns other registered investment advisers, broker-dealers, insurance agencies and other product and service providers. The Adviser may recommend products and services from or through NFP Affiliates and these NFP Affiliates and/or the Adviser may receive compensation as a result of such recommendations which is a conflict of interest given the potential increased compensation to an NFP Affiliate or the Adviser.

NFP Retirement Inc. is owned by or under common control with NFP Corp., which also owns, or is under common control with, other registered investment advisers, a broker-dealer, insurance agencies and other product and service providers.

Under the rules and regulations of FINRA, Kestra Investment Services LLC, has obligations to maintain records

and perform other functions regarding certain aspects of the investment Advisory activities of its registered representatives in relation to certain Advisory accounts for which its registered representatives provide investment advice. These obligations require Kestra Investment Services LLC, to coordinate with, and have the cooperation of the account custodian.

In order to fulfill its obligation, Kestra Investment Services LLC, has established a list of custodian and brokerage Advisors with which it has arranged to obtain the required cooperation, and which therefore may be utilized for custody of accounts directly advised either by registered representatives of Kestra Investment Services LLC, who are investment Advisors or other investment Advisory entities which are affiliated with registered representatives of Kestra Investment Services LLC. In certain instances, Kestra Investment Services LLC, will collect, as paying agent for the Advisor, the investment Advisory fee remitted to the Advisor by the account custodian, and Kestra Investment Services LLC, will retain a portion as a charge to the investment Advisor (not the client) for the functions Kestra Investment Services LLC, is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay to the Advisor pursuant to the client's Advisory agreement. A portion of the fee retained by Kestra Investment Services LLC, may be re-allocated to other registered representatives of Kestra Investment Services LLC, who, as registered representatives of Kestra Investment Services LLC, are responsible for the supervision of other representatives and assist Kestra Investment Services LLC, with the functions described above.

### **Advisory Dual Registration**

Some advisers are dually licensed as Investment Adviser Representatives with NFPR. NFPR owns as subsidiaries other advisory firms that currently maintain a separate and distinct registration after their acquisition. These firms currently are SST Benefits and Consulting Services LLC, Fiduciary First LLC, Divergent Wealth Advisors, LLC, and Accountants Proprietary Financial Servicenot, Inc. It is intended these firms will eventually integrate operationally and legally with, and their clients migrated, to NFPR and subsequently withdraw their separate registrations as an investment advisory firm. Until that time, certain representatives may be dually registered with one of these firms and with NFPR.

### **Related Person Affiliations**

Some associated persons of the Advisor are insurance agents/brokers of various insurance companies. In such capacities, associated persons of the Advisor may receive normal commissions and/or other compensation associated with those activities. In addition, as registered representatives, associates may receive payments from certain mutual funds distributed pursuant to a 12b-1 distribution plan or other such plans as compensation for administrative services, representing a separate financial interest on the Advisory associate's behalf. As such, a substantial conflict of interest may exist with respect to recommendations to buy or sell securities. Such conflicts are disclosed in the applicable Advisory contract with clients.

### **Affiliated Companies**

#### **Great Gray**

Certain private investment funds advised by Madison Dearborn Partners, LLC ("MDP") own a controlling interest in Great Gray Trust Co. ("Great Gray"). MDP also owns a controlling interest in NFP Corp., the parent company of NFPR and Fiduciary First.

Great Gray provides collective investment trusts ("CITs") for use by retirement plans, these include without limitation, those subadvised by flexPATH Strategies, LLC. NFPR may recommend or select Great Gray CITs, including the flexPATH CITs, when they are determined to be an appropriate investment for a plan.

Great Gray and NFPR may be considered to be "affiliated" companies under applicable law as described further below. However, MDP and Great Gray do not have any involvement in the day-to-day business operations of NFPR. Further, neither MDP nor Great Gray control or direct the investment recommendations or selections that NFPR provides to its clients and all such client recommendations or selections are solely made by NFPR.

Any recommendations or selection of Great Gray products and services or securities by NFPR will continue to be conducted in our normal course of business subject to applicable regulatory requirements and internal policies.

NFPR and Great Gray may be deemed to be under ultimate common control by MDP for purposes of the Investment Advisers Act of 1940, as amended (“Advisers Act”). The distribution or use of Great Gray products and services might be deemed to create a conflict of interest since it results in increased compensation to Great Gray, an entity affiliated with MDP for purposes of the Advisers Act.

In the case of clients subject to the ERISA, additional or different rules may apply to the determination of whether MDP and/or Great Gray is an “affiliate” or “under common control” with NFPR. NFPR evaluates, and will continue to evaluate, any potential conflict of interest arising from our relationship with MDP (including Great Gray). Any affiliation with Great Gray means that NFPR will rely upon certain processes to comply with ERISA rules that permit investments in affiliated CITs. NFPR will otherwise evaluate the Great Gray CITs (including the flexPATH CITs) using the same fiduciary processes it uses to evaluate and recommend any other investment or CIT that it might consider for a client.

#### WellCents®

WellCents® is a financial wellness platform that we may offer to employers, generally on a flat fee basis, as a solution to help their employee population with education, guidance and solutions for understanding and preparing for their own individual retirement. WellCents® does not provide any advice on or transact in securities or investments or other investment managers with its services.

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

### **Code of Ethics**

The Adviser has adopted NFPR’s Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser’s Chief Compliance Officer, and requires the Chief Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser’s Chief Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser’s Code of Ethics by contacting the Chief Compliance Officer of the Adviser.

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

Under the Adviser’s Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

### **Covered Person Personal Trading**

The Chief Compliance Officer reviews all employee trades each quarter (except for his own trading activity that is reviewed by another principal or officer of the Firm) versus the Advisers Restricted List of securities. Issuers on the Restricted List require preapproval for Adviser personnel to transact upon in their own personal brokerage accounts. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## **Item 12 Brokerage Practices**

### **Retirement Plan Services**

The Adviser does not recommend brokerage or custodial providers for its retirement planning clients.

### **Order Aggregation**

The Adviser does not execute trading activity on behalf of its Plan clients or the Plan participants.

### **Directed Brokerage and Directing Brokerage for Client Referrals**

Clients are responsible for establishing their particular brokerage and custodial relationships. The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

## **Item 13 Review of Accounts**

The staff of the Adviser will review plan accounts on a quarterly basis.

The Adviser will provide clients with fiduciary oversight reports on a quarterly basis which will address performance versus benchmarks and other subjects depending upon the scope of the retirement plan consulting services provided to clients. In certain cases, reports may be customized for clients on a case by case basis.

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

The Adviser adds new clients through introductions by referral sources, including financial planners, Investment Advisers, accountants, attorneys, life insurance agents, pension consultants, third-party administrators, CPAs, health and welfare insurance agents, property and casualty insurance agents, and pension sales representatives employed by insurance company and mutual fund company 401(k) providers. In order to receive a cash referral fee from us, promoters must comply with the requirements of the jurisdictions in which they operate.

Under a typical arrangement, the referral source may be paid a one-time only fee or an ongoing percentage of the compensation that is paid to the Adviser for providing services. The exact financial arrangements may vary for each client; however, each arrangement shall be in accordance with all federal, state, and self-regulatory organization and insurance rules and regulations. Typically, referral sources are involved only in the initial introduction and possibly ongoing relationship management, and do not have any involvement in the services as provided by the Adviser.

The Adviser pays promoter and referral fees in accordance with the requirements of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. The promoter, at the time of the promotion, shall disclose the nature of the relationship, and shall provide each prospective client with a copy of the Adviser's written disclosure statement as set forth in Part 2A, together with a copy of the written disclosure statement from the promoter to the client disclosing the terms and conditions of the arrangement between the Adviser and the promoter, including the compensation to be received by the promoter from the Adviser.

Referral fees paid to a promoter are contingent upon your entering into an advisory agreement with us. Therefore, a promoter has a financial incentive to recommend us to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain us for advisory services. Comparable services and/or lower fees may be available through other firms.

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

In their capacity as registered representatives, IARs may receive payments from certain mutual funds distributed pursuant to a 12b-1 distribution plan or other such plans as compensation for administrative services, representing a separate financial interest. As such, a conflict of interest exists with respect to recommendations to buy or sell securities. Where such distributions are received, the proceeds are passed onto the parent company of the Adviser. The client management fee is reduced by the same amount as any 12b-1 distribution paid to the Adviser. In all cases, transactions are effected in the best interests of the client. The Adviser does not permit insider trading and has implemented procedures to ensure that its policy regarding insider trading is being observed by associated persons.

Associated persons may own an interest in or buy or sell for their accounts the same securities, which may be purchased or sold in the accounts of Advisory clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

### **Referrals to Third Parties**

On occasion Adviser may refer clients to other professionals for services that Adviser is unable to perform, primarily banking, accounting and/or legal services. Although there is no direct monetary benefit derived from these arrangements, they are mutually beneficial and provide an indirect benefit. Adviser will never base its referrals solely on any reciprocal arrangement in place. Reciprocal arrangements are a professional courtesy so a non-compete and nondisclosure agreement is the only formal document signed. Clients may review these agreements at any time.

## **Item 15 Custody**

The Adviser does not and cannot take custody of any plan client assets.

Upon review by the Adviser of its custodial agreements, it has determined that broad authority granted to the Adviser under its custodial agreements creates “inadvertent custody” despite the narrower authority of the advisory agreement between the Adviser and its portfolio management clients. This is particularly true where a client has a Standing Letter of Instruction (“SLOAs”). This is in line with current government regulations, which deem us to have custody of your assets if, for example, you authorize us to instruct the qualified custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person’s account. The custodian/broker maintains actual custody of your assets. You will receive account statements directly from the qualified custodian at least quarterly.

The Adviser and its custodians meet the seven conditions in the SEC No Action Letter as submitted by the Investment Adviser Association dated February 21, 2017 and therefore is not required to obtain internal controls or surprise account audits

## **Item 16 Investment Discretion**

In its non-discretionary role, the Adviser provides investment advice at the Plan level where the Adviser shall



provide research and analysis with regard to investment advice and fiduciary due diligence services for the Client. The Adviser shall also provide research and analysis that covers the investment products of several qualified and non-qualified retirement plan providers. The goal of the investment due diligence process is to establish a logical, technical, and comprehensive process that is consistently employed in the selection and ongoing monitoring of funds for plan sponsors and individuals, accompanied by an investment policy statement (for plan sponsors only), that defines the process utilized to recommend the investments to plan sponsors and individuals.

In the Adviser's role of providing investment *management* at the Plan level, the Adviser shall be responsible and maintains discretion, for the selection, mapping, and ongoing monitoring, of investments offered within the Plan. The Adviser hereby accepts co-fiduciary responsibility for such duties. The Client engages the Adviser for management of Plan assets and shall delegate specified authority and discretion to the Adviser for the selection, mapping, and ongoing monitoring (including replacement, as prudent), of investments offered within the plan.

## **Item 17 Voting Client Securities**

Adviser does not have nor will accept authority to vote customer securities. Adviser requests that customers engage another party to determine how proxies should be voted. Adviser does not provide proxy voting services to its customers. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future.

## **Item 18 Financial Information**

The Adviser does not have any financial impairment that will preclude the Adviser from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years. The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Privacy Policy and Notice**

Fiduciary First's Privacy Policy can be found here: <https://www.nfp.com/misc/privacy-policy/>

We are able to provide our Privacy Notice upon request.

## **Business Continuity Plan**

Fiduciary First has developed a Business Continuity Plan on how the Adviser will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, the Adviser will have to be flexible in responding to actual events as they occur. With that in mind, the Adviser is providing clients with this information on our business continuity plan.

## **CONTACTING US**

If after a significant business disruption the client cannot contact us as the client usually does, the client should call the Adviser's alternative number 949.460.9898 or access the Adviser the Adviser address: <https://www.nfp.com/wealth-and-retirement/>

## **OUR BUSINESS CONTINUITY PLAN**

The Adviser plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit the Adviser to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back-up and recovery, all mission critical systems, financial and operational assessments, alternative communications with customers, employees, and regulators, alternate physical location of employees, critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if the Adviser is unable to continue our business.

## **VARYING DISRUPTIONS**

Significant business disruptions can vary in their scope, such as only the Adviser, a single building housing the Adviser, the business district where the Adviser is located, the city where the Adviser is located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only the Adviser or a building housing the Adviser, the Adviser will transfer our operations to a local site when needed and expect to recover within 24 hrs. In a disruption affecting our business district, city, or region, the Adviser will transfer our operations to a site outside of the affected area, and recover and resume businesses in a timely fashion with emphasis on recovery of critical functions according to their time criticality. In either situation, the Adviser plan to continue in business and notify clients through our the website or direct email how clients may contact us. If the significant business disruption is so severe that it prevents us from remaining in business, the Adviser will assure our customer's prompt access to their funds and securities.

## **FOR MORE INFORMATION**

If you have questions about our business continuity planning, you can contact us at 949.460.9898 or email our Chief Compliance Officer, Brian Yu at [brian.yu@nfp.com](mailto:brian.yu@nfp.com) .