

FRANGO FINANCIAL LLC

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FRANGO FINANCIAL LLC  
FORM ADV PART 2A  
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March 8, 2024

This brochure provides information about the qualifications and business practices of Frango Financial LLC. If you have any questions about the contents of this brochure, please contact us at 202-244-4460 or by e-mail at [fran@frangofinancial.com](mailto:fran@frangofinancial.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.

Please note that the use of the term “registered investment advisor” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this brochure and any brochure supplements (“brochure supplements”) for more information on the qualifications of our firm and our associates.

Additional information about Frango Financial LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for our firm is 154204.

## Item 2 – Material Changes

The date of our previous annual update to this brochure was March 29, 2023. Since that date, we have made no material changes to this brochure.

We will update this brochure and summarize in this Item 2 the occurrence of any material changes with respect to our business in accordance with applicable law. All current clients will receive a Summary of Material Changes to this and subsequent brochures within 120 days of the close of our fiscal year and certain additional updates regarding changes with respect to our firm and our business practices as they may occur. Updated information concerning these changes will be provided to you free of charge. A Summary of Material Changes is also included within our brochure found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can obtain additional information about our firm by searching for us on the foregoing website by our firm name or by our unique CRD number (154204).

Currently, our brochure may be requested, free of charge, by contacting Frances Goldman at (202) 244-4460 or by email to [fran@frangofinancial.com](mailto:fran@frangofinancial.com). A copy of this brochure is also available, free of charge, on our website at [http://www.frangofinancial.com/about\\_us.html](http://www.frangofinancial.com/about_us.html).

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## Item 4 – Advisory Business

- A** **Our Firm.** Frango Financial LLC (“Frango Financial,” “Frango,” “firm,” “we,” “our,” and “us”) is a fee-only financial planning firm that specializes in providing comprehensive financial planning and investment advisory services to individuals and families. The firm is owned and operated by Frances E. Goldman and has been in business since January 2009. We first became licensed as an investment advisor in 2011.

Frango Financial distinguishes itself from traditional investment advisory firms by offering a broad array of investment advisory and financial planning services that are tailored to meet the needs of our diverse client base. We are a “fee-only” fiduciary investment advisor. We serve as a trusted guide to our clients (“client,” “you,” and “your”), providing portfolio management services and financial planning advice with respect to topics such as risk management, retirement planning, cash flow and budget management, recordkeeping, estate planning, business development, and goal setting. We also offer tax planning and tax preparation services.

Prior to engaging our services, we may offer an exploratory consultation, free of charge, to discuss the potential benefits and costs of our services with you and to address any questions you may have regarding our firm, our financial professionals, and our service offerings. Our advisory services commence only upon your execution of a written advisory agreement with Frango Financial.

- B C** **Our Services.** We offer a variety of investment advisory services to clients. Our investment advice is always tailored according to each client’s unique financial circumstances, objectives, and needs. A description of our various investment advisory services is as follows:

**Open Retainers**

Our primary service offering, Open Retainer engagements include comprehensive financial planning and ongoing portfolio management of the client’s designated investment accounts for a fixed fee over the course of one year. We will meet with you in-person, telephonically, and/or via video conference to learn about your financial goals and concerns, personal values, tolerance for investment risk, investment time horizon and experience, tax situation, current and expected income, expenses, cash flow, and other relevant factors, and document the same in our records. Based on our analysis of this information, and as further informed by our subsequent periodic consultations with you, we will provide you with ongoing detailed financial planning and portfolio management advice that is uniquely tailored to your financial circumstances, objectives, and needs.

Frango Financial attempts to break down financial planning into manageable pieces to encourage clients to follow through with our recommendations and steadily progress toward their financial goals. Clients will typically have four to six scheduled meetings during the *Initial Year* of services, depending on their individual situation, and generally two or three scheduled meetings during *Renewal Years*. Meetings are generally in-person, but may be conducted by telephone or through other secure remote meeting technology, depending on client availability. In addition to scheduled meetings, additional face-to-face, e-mail, and/or telephone consultations regarding common financial topics and concerns are included at no additional charge. In *Renewal Years*, meetings are generally less frequent, and topics are often combined.

During the *Initial Year* of an Open Retainer relationship, the following financial topics and concerns are typically addressed at our scheduled meetings (as relevant to the client’s specific needs):

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- budgeting and cash flow management;
- record-keeping;
- insurance analysis;
- analysis of employee benefits;
- tax planning, preparation, and filing;
- inventory of assets, liabilities, and net worth;
- portfolio analysis;
- goal setting;
- analysis of financial goals;
- asset allocation strategy;
- investment recommendations;
- investment strategy implementation;
- retirement planning;
- education funding;
- small business planning
- Medicare planning; and
- estate planning.

During *Renewal Years*, the focus of our meetings typically shifts, as initial tasks are completed and changes occur in the client's life and financial circumstances. Typical *Renewal Year* meeting topics include the following:

- investment review/update;
- cash flow and budgeting review;
- goal setting review;
- tax planning and preparation;
- rebalancing of assets; and
- other client specific financial concerns.

The *Initial Year* and *Renewal Year* topics are reviewed with the client periodically thereafter, as needed, throughout the duration of our relationship, which may be renewed at your option on an annual basis.

If you wish to have us provide ongoing portfolio management advice as part of this service, you will be required to deposit your assets to an account (or accounts) held in your name at an independent qualified custodian, typically a licensed broker-dealer, banking, or savings institution. New clients are typically required to grant our firm discretionary trading authority over their account(s) held at the custodian. This means that we will *not* be required to obtain your prior approval for each specific investment transaction we direct within your account. Notwithstanding your grant of discretionary trading authority to Frango Financial, as a matter of practice, it is our policy that whenever reasonable, we will make an effort to discuss potential transactions with you prior to their implementation. We will always exercise our discretionary authority in a manner consistent with our fiduciary duty to you and our understanding of your unique investment profile, objectives, needs, and restrictions. You may impose reasonable restrictions on our management of your account(s), including instructing us not to purchase certain specific securities, industry sectors, and/or asset classes.

Certain legacy clients may continue to maintain non-discretionary portfolio management arrangements with Frango Financial that require us to obtain their consent prior to executing transactions in their accounts.

We will monitor your designated investment accounts on an ongoing basis and implement changes to your portfolio from time-to-time, as we believe to be in your best interests. Where our investment advice relates to assets held-away from the account(s) over which we have been granted discretionary trading authority (*e.g.*, employer sponsored retirement accounts, education savings accounts, insurance products), unless otherwise agreed, you will be responsible for investment implementation and monitoring. We will consult with you as needed or reasonably requested to review portfolio

performance, discuss current financial issues and concerns, and re-assess goals and plans throughout the duration of our Open Retainer relationship.

*Project Retainers*

If an Open Retainer relationship is not desired or practical, Frango Financial may enter into a Project Retainer agreement. Project Retainers are narrower in scope than Open Retainers and usually focus on just one or several of the financial topics that might be addressed in the context of an Open Retainer relationship (see above). Depending on the complexity and number of financial topics selected by the client, this service typically includes only a single consultation or a limited number of consultations and the delivery of a shorter written report, summary, checklist, or oral presentation of our advice and recommendations to the client.

Project Retainers do not include comprehensive financial planning services, ongoing management or monitoring of any client accounts, or any other ongoing services. Reviews and updates of our Project Retainer advice and investment implementation assistance are not provided, and the engagement is deemed to be concluded following our final consultation with the client or our delivery of the requested written report, summary, or checklist of advice and recommendations to the client. You will make all final investment decisions, select the service providers to be utilized, and shall be solely responsible for the implementation and monitoring of all your investments under this service. If the client wishes to upgrade to an Open Retainer engagement at the conclusion of these services, they may receive credit toward Open Retainer fees for amounts paid under a Project Retainer engagement for the past six months.

*Financial Fitness Reviews*

Our most limited offering, a Financial Fitness Reviews consist of an in-person or telephone meeting, accompanied by a written report that provides an overall review of the client's financial situation, focusing on up to three financial planning topics selected in advance by the client.

Financial Fitness Reviews do not include comprehensive financial planning, ongoing management or monitoring of client accounts, or any other ongoing services. Reviews and updates of our Financial Fitness Review advice and investment implementation assistance are not provided, and the engagement is deemed to be concluded following our delivery of the requested written report containing our recommendations to the client. You will make all final investment decisions, select the service providers to be utilized, and shall be solely responsible for the implementation and monitoring of all your investments under this service. If the client wishes to upgrade to an Open Retainer engagement at the conclusion of these services, they may receive credit toward Open Retainer fees for amounts paid under their Financial Fitness Review engagement for the past six months.

- D** *Wrap Fee Programs.* We do not currently sponsor, serve as a portfolio manager to, or recommend any wrap fee programs to our clients.
- E** *Assets Under Management.* We manage approximately \$111,470,992 of client assets on a non-discretionary basis and \$0 on a discretionary basis. These amounts were calculated as of December 31, 2023.

**Item 5 – Fees and Compensation**

- A** *Our Fees.* As described in Item 4, Frango Financial is a “fee only” financial planning firm, meaning that we are compensated solely by the advisory fees paid to us by our clients. We believe this method of compensation best aligns with our fiduciary duty to you. The firm and its associated persons do

not sell insurance or investment products such as annuities, insurance, stocks, bonds, mutual funds, or any other commissioned products, and we are not affiliated with any entities that sell such products. No commissions, referral fees, or finder's fees in any form are accepted. We will only recommend investments to you when we believe them to be in your best interests.

The specific manner in which fees are charged by Frango Financial is established in a written advisory agreement executed by the client and our firm at the inception of our relationship. Advisory fees charged by our firm are generally negotiable, and some clients may pay fees which are materially different than those described in this brochure based on legacy fee arrangements, relationships with our firm or its personnel, or for other reasons. A description of the fees charged for each of our services is set forth below

*Fees for Open Retainers*

When you engage us for Open Retainer services, we will typically charge you an annual fixed fee ranging from \$5,000 - \$30,000 per year. The specific annual fixed fee you will pay is determined by Frango Financial based upon the nature and level of your income and assets, the complexity of your financial situation, and your overall advisory needs. In addition, we may consider some or all of the following factors when determining the advisory fee to be charged for these services: your ownership of any businesses; whether you are self-employed or a wage-earner; your marital status; the composition of your portfolio; your receipt of any partnership income; your pension/retirement plan options; your family composition and history; and the existence of any rental property within your portfolio.

The fixed fees applicable to your account will be reviewed at least annually and may be adjusted by Frango Financial periodically based upon changes in your financial circumstances and advisory needs. Any fee adjustments will be disclosed to you in writing at least thirty (30) days' in advance of becoming effective and you will be provided an opportunity to reject the proposed fee adjustment.

Fixed fees for these services are invoiced directly to the client (either in paper or electronic format) quarterly in advance. All fees are due upon presentation of our written invoices. Fees may be paid by check or other mutually agreed upon payment method. Alternatively, at your option, our fees for Open Retainer services may be debited directly from your designated investment account(s). Our policies with respect to direct deduction of fees from client accounts is set forth below in this Item 5.

*Fees for Project Retainers*

When you engage us for Project Retainer services, we will typically charge you a fixed fee ranging from \$1,000 - \$10,000. The fixed fee you will pay is determined by Frango Financial based upon the number of the financial topics on which you seek our advice and overall complexity of your financial situation and overall advisory needs. In some instances, we negotiate an hourly fee for these services of up to \$450 per hour for specific project requests. The hourly rate and project costs are based on a variety of factors, including the complexity of the project and the scope of work to be performed.

Fixed fees for these services are generally invoiced directly to the client (either in paper or electronic format) in two installments, with one-half of the agreed upon fixed fee due at execution of the written agreement for services and the remaining balance due upon completion. In instances where an hourly fee will be charged, fees will be invoiced directly to the client (either in paper or electronic format) monthly or quarterly in arrears. All fees are due upon presentation of our written invoices. Fees may be paid by check or other mutually agreed upon payment method.

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*Fees for Financial Fitness Reviews*

When you engage us for Financial Fitness Review services, we will typically charge you a fixed fee ranging from \$850 - \$6,000. The fixed fee you will pay is determined by Frango Financial based upon on the topics to be covered and the complexity of your financial situation.

Fixed fees for these services are generally invoiced directly to the client (either in paper or electronic format) in full at the execution of the written agreement for services. In some instances, we may agree to accept payment in two installments, with one-half of the agreed upon fixed fee due at execution of the written agreement for services and the remaining balance due upon completion. All fees are due upon presentation of our written invoices. Fees may be paid by check or other mutually agreed upon payment method.

*Fees for Tax Preparation*

The cost for tax preparation and filing that is not included within a retainer contract ranges from \$400 - \$1,500, depending on the complexity of the tax return. Clients sign a tax engagement letter which serves as an invoice and is due in full prior to the commencement of any tax preparation services. Tax preparation/filing fees are set at Frango Financial's sole discretion.

- B** *Direct Fee Deduction.* Where you agree in writing, Frango Financial's fees shall be directly deducted from your designated account(s) held at the independent custodian upon our periodic submission to the custodian of a written request for payment reflecting the amount of advisory fees to be charged to your account. Your authorization for direct fee deduction is set forth in our written advisory agreement and/or the account opening documents of your custodian. We will liquidate money market shares or use cash balances from your account to pay our advisory fees. However, if money market shares or cash value are not available, other investments may be liquidated. Please note that unexpected or premature liquidation of investments to pay our advisory fees may impair the performance of your account.

Where we have instead agreed to bill you by means of traditional invoicing, we will send you a written invoice by mail or e-mail and our fees are due and payable upon presentation.

Irrespective of our billing arrangement, the custodian(s) of your assets will send an account statement to you at least quarterly, identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in the account during the period, including the amount of advisory fees (if any) paid directly to Frango Financial from your account. The custodian is not responsible to verify our fee calculations. Therefore, we encourage you to review the custodian's account statements carefully upon receipt. If you believe we have miscalculated our advisory fees or if there is any other issue with your account, you should contact us immediately at the e-mail address or phone number listed on the cover page of this brochure.

- C** *Additional Fees and Costs.* In addition to Frango Financial's fees outlined above, clients may incur certain other fees, costs, and charges to implement Frango Financial's recommendations. Such additional fees, costs, and charges will be imposed by custodians, brokers, and other third parties and may include, brokerage commissions, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other similar charges. Mutual funds and exchange traded funds ("ETFs") also charge internal management fees and other costs that clients will separately bear and which are disclosed in each fund's prospectus. Such charges, fees, commissions, and taxes are exclusive of and in addition to Frango Financial's fees.

Additionally, clients may be responsible for out of pocket expenses incurred by Frango Financial in providing services above and beyond typical services provided to clients. These expenses may include



such things as abnormal shipping costs and travel expenses for out-of-town in-person meetings requested by the client.

- D** **Termination of Our Services.** You may terminate our services, without penalty and without incurring any advisory fees to us, by providing written notice of termination within five (5) business days of signing a client agreement.

Thereafter, either party may terminate services at any time by providing thirty (30) days' advance written notice of termination to the other party. Under these circumstances, a pro-rated fee shall be due and payable to Frango Financial upon termination of services. Where a fixed fee applies, fees will be pro-rated based on Frango Financial's binding good faith determination of the value of the services provided through termination. Where hourly fees apply, the client shall pay Frango Financial for all earned but unpaid hourly fees due at the time of termination. In all cases, any pre-paid but unearned fees will be promptly refunded to you. Likewise, any fees that have been earned by Frango Financial but not yet paid by the client will be immediately due and payable to us. We will deliver any partially completed financial plans and reports to the client upon full and final payment of our fees.

- E** **Fee-Only Advisor.** As described above, Frango Financial is a fee-only financial advisory firm and does not sell any investment or insurance products. The firm and its associated persons are remunerated solely by the advisory fees paid by our advisory clients.

**Rollover Recommendations.** As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the ERISA and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

Our fixed fees are determined at the inception of our relationship with the client, may be updated periodically, and take into account the value of all client assets advised by the firm, including any contained in Plan Accounts and/or IRA Accounts. Accordingly, your decision to implement our rollover recommendations and the consequent movement of client assets between Plan Accounts and/or IRA Accounts will generally not result in an increase in the fixed fees paid by the client. You are under no obligation, contractually or otherwise, to complete any rollover recommended by the firm. Moreover, if you do choose to complete a rollover, you are under no obligation to have the assets in an IRA managed by our firm.

While we always act in a fiduciary capacity, we operate under a special Department of Labor rule in the context of making rollover recommendations that requires us to do the following:

- 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 a reasonable fee for our services; and

- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of each option and the basis for our belief that the rollover transaction we may recommend is in your best interests.

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

Frango Financial does not charge any performance-based fees (*i.e.*, fees based on a share of capital gains on or capital appreciation of the assets of a client) or engage in side-by-side management of client accounts.

## **Item 7 – Types of Clients**

Frango Financial provides comprehensive financial planning and investment advisory services primarily to middle-income and upper-middle-income individuals and families. The firm values a diverse clientele and strives to work with people from different walks of life. As such, there is no minimum net worth, annual fee, or asset requirement to become a client or to maintain your relationship with us. As discussed above, the specific advisory fee to be charged will be determined by Frango Financial based upon each client's unique financial circumstances and advisory needs. Frango Financial's services are often time intensive. As a result, Frango Financial may limit the number or types of clients that it works with to honor its commitments to existing clients.

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

### **A Methods of Analysis, Investment Strategies, and Types of Investment Recommended.**

#### Methods of Analysis

The main sources of information Frango Financial may rely upon when researching and analyzing specific investments will include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, and filings with the SEC, as well as research materials prepared by others such as corporate rating services. Frango Financial also subscribes to various professional publications deemed to be consistent with and supportive of Frango Financial's investment philosophy.

Investment recommendations are considered in the context of client's unique personal circumstances. Specific factors that Frango Financial may consider when making investment recommendations include, without limitation, the client's overall risk tolerance, risk capacity, tax

situation, earnings potential, work status, investment experience, financial situation, goals, and aspirations, personal values, age, and individual and family circumstances. After identifying these items, portfolios are structured around individual needs, while minimizing negative effects of external factors, such as interest rates, market performance, and the economy as a whole.

#### Investment Strategies

Frango Financial's investment strategy is characterized and guided by the following key principles:

- the wisest way to control risk and enhance return is through diversification across a number of different asset classes;
- the client's time horizon (*i.e.*, the time between now and when the client will need the funds being invested) is a crucial factor affecting your tolerance for volatility and risk; and
- focus on aspects of the client's portfolio that can most easily be controlled, such as maintaining diversification of investments, minimizing, and reducing expenses and taxes where possible, and maintaining investment discipline.
- timing markets and/or picking individual stocks is typically not a sustainable solution for long-term investment success.

Frango Financial's primary investment focus for long-term growth of capital and income generation is to achieve an acceptable risk/return trade-off based on the client's unique situation through diversification. Frango Financial seeks to educate its clients on this risk/return dynamic and the appropriate level of risk for their given situation (*i.e.*, asset allocation).

Frango Financial typically employs a long-term buy-and-hold approach (*i.e.*, the purchase of securities with the idea of holding them in a portfolio for a year or longer) to investing. This is complemented by periodic rebalancing of client accounts in conjunction with a proportional equity/fixed-income strategy. The strategy and asset allocation for each client is determined by the client's Financial Lifecycle stage, individual considerations, and risk tolerance.

As with any investment strategy, there are risks that must be considered and managed with respect to long term buy-and-hold and asset allocation strategies. For example, a risk in a long-term purchase strategy is that by holding securities for a period exceeding one year, we may not take advantage of short-term gains that could be profitable to a client. Likewise, when implementing an asset allocation strategy, there exists the risk that you may not participate in sharp increases in the value of a particular security, industry, or market sector. Another risk of asset allocation is that the ratio of securities, fixed income, and cash in your account will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

#### Types of Investments Recommended

To implement its investment strategies, Frango Financial typically recommends no-load mutual funds (*i.e.*, mutual funds that have no sales fees), ETFs, U.S. government securities, money market funds, certificates of deposit, and individual bonds (U.S. Treasury, corporate, agency, and municipal). However, in the course of providing investment advice, Frango Financial may address issues related to other types of investments that a client may already own. In addition, other products that may be deemed appropriate for a client will be discussed, based upon the client's individual goals, needs, and objectives.

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Every client's needs and goals are different. Accordingly, investment strategies and underlying investment vehicles in client portfolios may vary. It is the ongoing responsibility of each client to give us complete and accurate information and to notify us of any changes in financial circumstances or goals.

- B** **Investment Risk.** We act as your fiduciary when rendering investment advice. However, we cannot and do not warrant or guarantee any particular level of investment performance or that any recommended investments will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that clients should be prepared to bear.** Client's assume all risk involved in the investment of their assets and understand that investments are subject to various market, currency, economic, political, and business risks, including, without limitation, those described below.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to your instructions; and/or
- any act of failure to act by any custodian of your assets.

Federal and state securities laws impose liability under certain circumstances on persons who act in good faith; therefore, the above language does not relieve Frango Financial from any responsibility or liability it may have to clients under such laws.

While all investing involves risks and losses can and will occur, we generally recommend a broad and diversified allocation of securities and other investments intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

**Volatility**

One of the main concerns for any type of investing, particularly equity investing, is market volatility. Volatility measures the degree to which prices change over time.

**Client Behavior**

Clients must be willing and able to hold on to long-term investments without knee-jerk reactions to volatility and without trying to time the market. Analysis shows that the typical investor's investment results are more dependent on investor behavior than on the performance of particular mutual funds, ETFs, and other portfolio holdings. This underperformance is driven by a combination of psychological traps, triggers, and misconceptions that cause investors to act irrationally and to deviate from a sound and well-defined investment strategy tailored towards their goals, risk tolerance, and time horizon.

**Tax Considerations**

Tax treatment of different investment gains and losses must be considered in the long-term investment strategy.

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*Risk of Loss*

Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

*Economic Risk*

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

*Financial Risk*

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the “dot com” companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

*Market Risk*

The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company’s intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security’s price due to company specific events (*e.g.*, earnings disappointment or downgrade in the rating of a bond) or general market risk (*e.g.*, such as a “bear” market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

*Interest Rate Risk*

Certain investments, such as bonds, involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

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*Risks Related to Analysis Methods*

Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, 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.

*Securities Transactions at the Direction of Clients*

All assets are held at the custodian in your name and you will typically maintain the concurrent ability to direct transactions within your account. We are not responsible for the consequences of your self-directed (non-advised) investment decisions or the costs and fees they generate within your account.

*Interim Changes in Client Risk Tolerance and Financial Outlook*

The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

It is your continuing responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss your investments and any changes to your financial circumstances.

- C** *Risks Related to Recommended Investments*. The following is a non-exhaustive list of risks associated with some of the types of investments we most commonly recommend to clients. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

*Mutual Funds*

Mutual funds are professionally managed collective investment companies that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual or exchange traded funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market; invests primarily in small cap or speculative companies; uses leverage (*i.e.*, borrows money) to a significant degree; or concentrates in a particular type of security (*i.e.*, equities) rather than balancing the fund with different types of securities. Other fund risks include: foreign securities and currency risk, emerging market risk, small-cap, mid-cap and large-cap risk, trading risk, and turnover risk that can increase fund expenses and may decrease fund performance. Brokerage and transactions costs incurred by the fund will reduce returns.

*Individual Equity Securities (Stocks)*

Individual equity securities, also known simply as "equities" or "stocks," are assessed for risk in numerous ways. Price fluctuations and market risk are the most significant risk concerns. As such, the value of stock investments can increase or decrease over time. Furthermore, stock prices can be affected by many factors including, but not limited to, the overall health of the economy, the health



of the market sector or industry of the issuing company, and national and political events. When investing in stock, it is important to focus on the average returns achieved over a given period of time across a well-diversified portfolio.

*Individual Debt Securities (Bonds)*

Bonds are typically safer investments than equity securities, but their risk can also vary widely based on the financial health of the issuer, the risk that the issuer might default, when the bond is set to mature, and whether or not the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

*Exchange Traded Funds (ETFs)*

ETFs are investment funds traded on stock exchanges, much like stocks or equities. An ETF holds assets such as stocks, commodities, or bonds and trades at approximately the same price as the net asset value of its underlying assets over the course of the trading day. Most ETFs track an index, such as the S&P 500. However, some ETFs are fully transparent actively-managed funds. Market risk is a significant risk associated with ETFs. This risk is defined by the day-to-day fluctuations associated with any exchange-traded security, where fluctuations occur in part based on the perception of investors.

## Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of Frango Financial or the integrity of Frango Financial’s management. Frango Financial has no information to disclose under this Item 9.

## Item 10 – Other Financial Industry Activities and Affiliations

- A**     *No Broker-Dealer Related Registrations.* Neither Frango Financial, nor any of its associated persons, are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B**     *No Commodities Related Registrations.* Neither Frango Financial, nor any of its associated persons, are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trader advisor, or an associated person of any of the foregoing.
- C**     *Material Relationships.* Frango Financial’s principal, Frances Goldman, is a member of the Alliance of Comprehensive Planners (ACP). ACP is a non-profit organization that provides training and support through an alliance of fee-only comprehensive financial planners. As a member of ACP, Frango Financial has the right to use proprietary products and systems designed by ACP. ACP offers education in the form of in-person, web-based, and teleconferences (which may provide continuing education credits) and services produced by collaborative efforts of fee-only financial advisors.

We do not receive any additional compensation or benefits, either directly or indirectly, in connection with referrals of our clients to any attorneys, accountants, insurance brokers, mortgage professionals, or any other third parties. We will only recommend and refer such third-parties to you when we believe such recommendations to be in your best interests.

We have no other arrangements or other financial industry affiliations to disclose which would be considered material to our business or to our clients or which would present any material conflicts of interests with clients.

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

**A** **Our Code of Ethics.** Frango Financial has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to our professional duties to our clients, standards of conduct, and personal trading policy. All supervised persons of Frango Financial must acknowledge the terms of the Code of Ethics annually and each time it is updated. The Code of Ethics is available to clients upon request.

In general, our Code of Ethics requires that Frango Financial and its associated persons shall always:

- act as a fiduciary, putting the best interests of clients first, and disclose fully any potential conflicts of interest to all clients and prospective clients;
- act with the highest level of integrity and dignity when dealing with clients, prospective clients, and other professionals;
- seek to maintain and continually enhance a high degree of professional education regarding all aspects of financial planning;
- seek at all times to preserve the independence of the firm and maintain objectivity with respect to advisory services and unbiased recommendations made to clients;
- provide services in a timely and thorough manner and continually strive to improve the quality of services provided; and
- to the extent permitted by law, keep confidential all information shared by clients and prospective clients and treat all private documents with care.

**B-D** **Material/Proprietary Interests in Securities Recommended to Clients.** Frango Financial does not currently participate in securities in which it has a material financial interest. Frango Financial and its associated persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its associated persons have any material financial interest.

**Personal Trading; Participation or Interest in Client Transactions.** Frango Financial and its associated persons may buy and sell some of the same securities for its or their own accounts (collectively, “Proprietary Accounts”) that Frango Financial recommends for its clients. When appropriate, Frango Financial and its associated persons will purchase or sell securities for clients before purchasing or selling the same securities for their Proprietary Accounts. In some cases, Frango Financial and/or its associated persons may buy or sell securities for Proprietary Accounts for reasons not related to the strategies adopted by Frango Financial’s clients. Our Code of Ethics is designed to assure that the personal securities transactions of our firm and our associated persons will not interfere with the investment recommendations we provide to clients while, at the same time, allowing our firm and our associated persons to invest for their Proprietary Accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning the firm and our associated persons may trade these securities without prior permission because such trades would not materially interfere with the best interests of Frango Financial’s clients. Nonetheless, because the Code of Ethics permits the firm and our associated persons to invest in the same securities we may recommend to clients, there is a possibility that our firm and/or our associated persons might somehow benefit from the market activity of a client. Accordingly,



when applicable, trading in Proprietary Accounts is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Frango Financial and its clients.

Frango Financial will disclose to clients any material conflict of interest relating to Frango Financial and/or its associated persons that would reasonably be expected to impair the rendering of unbiased and objective advice. We will notify clients in advance if a conflict of interest should arise as a result of the firm recommending securities to clients in which Frango Financial and/or its personnel hold a position.

## Item 12 – Brokerage Practices

**A** **Recommendation of Broker-Dealers.** Frango Financial may use its discretion when recommending a broker-dealers to clients. While clients are not obligated to effect transactions through any broker-dealer recommended by our firm, we may decide, on a case-by-case basis, not to work with clients who choose to execute securities transactions through other custodians after Frango Financial explains the advantages of using our recommended broker-dealer, including ease of oversight, low-cost execution of client transactions, and ability to service the client's account.

To this end, Frango Financial routinely recommends, but does not require, that clients engage the custodial and trade execution services of the Schwab Institutional, a division of Charles Schwab & Co. Inc. ("Schwab"). Schwab is an independent SEC registered broker-dealer member FINRA/SIPC. We are not affiliated with Schwab and Schwab does not supervise the activities of our firm or our associated persons.

**Best Execution.** When recommending a broker-dealer, Frango Financial will comply with its fiduciary duty and with the Securities Exchange Act of 1934. Frango Financial will take into account such relevant factors as:

- investment costs to its clients, account maintenance fees, and other transactions fees;
- the broker-dealer's facilities, reliability, and financial responsibility;
- the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size, and execution of order;
- the research and related brokerage services provided by such broker-dealer to Frango Financial, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- any other factors that Frango Financial considers to be relevant.

We work primarily with Schwab for administrative convenience and also because Schwab offers a good value to our clients for the transaction costs and other costs incurred. We will continue to recommend Schwab's custodial and trade execution services to clients so long as Schwab continues to meet the best execution criteria set forth above.

**Directed Brokerage.** In the limited circumstances where a client is permitted to utilize a broker other than Schwab (*i.e.*, client directed brokerage), you are advised that we may be unable to seek best execution of your transactions and your commission costs may be higher than those charged by the Schwab. For example, in a client directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account. In addition, we may place orders for your transactions after we place transactions for clients using Schwab's services.

**No Soft Dollars; Benefits Received from Recommended Brokers.** Soft dollar arrangements refer to arrangements under which a broker-dealer agrees to provide an investment advisor with benefits or services (other than execution of trades) contingent upon the advisor's commitment to direct a certain number or size of brokerage transactions (and related trade commissions) to the broker-dealer. While Frango Financial *does not* participate in any soft dollar arrangements, we do receive certain benefits and services from Schwab (as described below) as a result of our recommendation of their custodial and trade execution services to our clients. These benefits and services are provided to all investment advisors who participate in the Schwab Institutional platform and are not contingent upon the number or size of brokerage transactions we direct through Schwab for client accounts.

Schwab provides our firm with access to its institutional trading and operations services which are typically not available to Schwab retail investors.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Schwab also makes available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist us in managing and administering our client accounts. They include investment research, both Schwab's, and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available to us software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocation of aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our advisory fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, 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.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide our firm with other benefits, such as occasional business entertainment for our personnel.

Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or its associated persons.

We believe that the foregoing services and benefits that we receive from Schwab do not materially affect the investment recommendations we make to clients. However, our interest in continuing to receive these services and benefits creates a potential conflict of interest, as we have an incentive to recommend, use, or expand our use of Schwab's custodial and trade execution services. We strive to recommend the custodian that is most appropriate for you based on your individual needs, and you are free to choose any custodian to hold your account, subject to our approval. Because the above interests are in conflict with the clients' interest in obtaining the lowest commission rate available, we are required to periodically evaluate, and determine in good faith, based on the "best execution" policy stated above, that the transaction fees charged by Schwab are reasonable in relation to the value of the services provided.

Except as described above in this Item 12, we do not receive any compensation or incentive for recommending that you engage any broker-dealer or custodian for brokerage trades and custodial services. We do not receive client referrals in exchange for directing client transactions to Schwab.

- B** **Trade Aggregation.** Due to our policy of customizing client portfolios, Frango Financial does not aggregate purchases, sales, and other transactions among client accounts. In certain circumstances, our practice of not combining multiple clients' buy and sell orders (*i.e.*, block trading) may result in our inability to achieve the most favorable execution at the best price available and may result in increased costs to clients.

### Item 13 – Review of Accounts

- A** **Account Reviews.** Open Retainers accounts are generally reviewed by the investment advisor representative(s) who are primarily responsible for overseeing the clients account.

Open Retainer clients receive portfolio recommendations during the term of their engagement and their accounts are reviewed at least annually, or as otherwise appropriate based on the client's unique investment needs and objectives. Frango Financial will review the target asset allocation and evaluate whether it continues to be the appropriate asset allocation for the client given their financial situation, stage in the financial lifecycle, risk tolerance, liquidity needs, and other components of their financial situation, such as pensions, inheritances, major anticipated expenses, etc. Once the target asset allocation has been reviewed and/or revised, Frango Financial will assess whether the current portfolio is within an acceptable range of this allocation. In addition, Open Retainer clients receive scheduled client consultations through the relationship that regularly involve the review and advice regarding the client's primary financial concerns.

Project Retainer and Financial Fitness Review clients do not receive reviews or updates of our investment advice after their project or review is completed.

- B** **More Frequent Account Reviews.** For Open Retainer clients, factors triggering more frequent account reviews may include significant changes in the client's financial condition (*e.g.*, changes in income, net worth, career track or employment status, inheritances, the occurrence of significant life events, etc.); changes in the fundamentals of the companies or entities issuing securities held within the client's portfolio; price fluctuations, and significant industry or economic developments. Frango Financial does not normally change its investment recommendations due to normal market fluctuations absent a significant change in the pre-determined investment strategy.

- C** **Reporting to Clients.** Where you maintain any brokerage account(s), your custodian will provide a statement, at least quarterly, that will include a list of all assets held in your account, asset values, and all transactions affecting the account assets, including any additions or withdrawals. Frango Financial does not provide any regular monthly or quarterly investment account statements to clients.

As part of its comprehensive approach to financial planning, Frango Financial addresses many components of the Open Retainer client's financial picture, including investments, insurance, estate planning, education funding, retirement planning, and tax planning and preparation, using a "modular" approach. We prepare written summaries and "action items" as each "module" is discussed. Our focus is on the client's net worth and movement toward their financial goals, rather than performance of any individual investment. At least annually, we will prepare for Open Retainer clients a report or reports addressing the client's net worth, asset allocation, and overall financial progress. During the *Initial Year* of an Open Retainer engagement and at a minimum of every 3-5 subsequent years, Frango Financial reviews the client's estate planning documents and insurance policies.

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

Frango Financial is a fee-only financial planning firm and does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations. We do not pay referral or finder's fees, nor do we accept such fees from other firms. Compensation to the firm is wholly from advisory fees paid by our clients.

As referenced in Item 12 above, Schwab provide services and products to us without cost or at a discount that we may use to service some or all of our client accounts, including accounts that do not execute trades through or custody their assets with such firms. Conflicts of interest related to this arrangement are described in Item 12.

#### **Item 15 – Custody**

Where authorized in writing by the client, Frango Financial has the ability to deduct its advisory fees directly from the client's custodial account. We will only directly deduct our fees where we have a reasonable belief that the custodian of your account sends you an account statement at least quarterly, identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in the account during the period, including the amount of advisory fees paid directly to Frango Financial from your account. Due to our implementation of these safeguards, Frango Financial is deemed not to have custody over any client funds and securities.

We shall have no liability to any client for any loss or other harm to any property in the client's account(s), including any harm to any property in such account(s) resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the SIPC or any other insurance which may be carried by the custodian. Clients understand that the SIPC provides only limited protection for the loss of property held by a broker-dealer.

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

Open Retainer clients who engage Frango Financial for ongoing portfolio management services are typically required to grant us ongoing and continuous discretionary authority to execute our investment recommendations within their account(s) held at the custodian without obtaining the client's prior approval

for each specific transaction. In a discretionary arrangement, you authorize us to purchase and sell securities and other instruments in your account(s), arrange for delivery and payment in connection with the foregoing, and act on your behalf in all matters necessary or incidental to the handling of the account, including monitoring of your assets. Except for direct deductions of advisory fees or where you otherwise explicitly authorize Frango Financial to do so in writing, we will not be permitted to initiate transfers of funds or securities in to or out of your account(s). Our discretionary management of your account will be conducted in strict accordance with your stated investment objectives and limitations.

Project Retainer and Financial Fitness Review services are non-discretionary in nature. The client makes all final investment decisions and is responsible for implementation and ongoing monitoring of all investments.

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

As a matter of firm policy, Frango Financial does not have authority to and does not vote proxies on behalf of clients. Clients will receive all proxies directly from the custodian and retain the responsibility for voting proxies for any and all securities maintained in Client portfolios. At the request of a client, Frango Financial may provide advice to client regarding the client's voting of proxies. However, it is the client's exclusive responsibility to vote the proxy.

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

Frango Financial does not require or solicit prepayment of more than \$1,200 in fees per client, 6 months or more in advance. We do not maintain custody or discretionary authority over any client accounts. We are not subject to any financial commitments or conditions that are reasonably likely to impair our ability to meet our contractual and fiduciary duties to our clients.

Frango Financial has never been the subject of a bankruptcy petition.