



Cannon Advisors, Inc.

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Cannon Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (704) 820-8393 or by email at: info@cannonadvisors.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.

Additional information about Cannon Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Cannon Advisors, Inc.'s CRD number is: 293929.

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Registration does not imply a certain level of skill or training.

Item 2: Material Changes

Since our last amendment filing on March 10, 2023, the following material changes made to the brochure:

- Item 4: We have added information on the use of Pontera and updated our assets under management.
- Items 5, 10, 12: We are no longer affiliated with Regulus Financial, LLC, a broker-dealer firm, and all references to that affiliation have been removed.
- Items 12, 14: We have updated our custodian information.

Material changes relate to Cannon Advisors, Inc.'s policies, practices, or conflicts of interests.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Cannon Advisors, Inc. (hereinafter "Cannon Advisors") is a Corporation organized in the State of North Carolina. The firm was formed in July 2018, and the principal owner is R. Bryan Cannon.

B. Types of Advisory Services

Portfolio Management Services

Cannon Advisors offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Cannon Advisors creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Cannon Advisors evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Cannon Advisors will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Cannon Advisors seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Cannon Advisors' economic, investment or other financial interests. To meet its fiduciary obligations, Cannon Advisors attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Cannon Advisors' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Cannon Advisors' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

Cannon Advisors provide an additional service for accounts not directly held in our custody, but where Cannon Advisors does have discretion, and may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, HSAs, and other assets Cannon Advisors do not custody. Cannon Advisors regularly review the

available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way Cannon Advisors do other accounts, though using different tools as necessary.

We use a third-party platform to facilitate the management of held-away assets, such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client, allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Cannon Advisors will review the current account allocations. When deemed necessary, Cannon Advisors will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

Financial Planning

Financial plans, and financial planning, may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. Clients utilizing this service will be provided a written financial plan.

Financial Consulting

Financial consulting may include, but is not limited to: basic advice on planning, asset allocation assistance, cash flow assistance, debt management, savings, and financial goal setting. Clients will not be provided a written plan, but a summary of the advisor's suggestions.

Services Limited to Specific Types of Investments

Cannon Advisors generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. Cannon Advisors may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

Cannon Advisors offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain

securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Cannon Advisors from properly servicing the client account, or if the restrictions would require Cannon Advisors to deviate from its standard suite of services, Cannon Advisors reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Cannon Advisors does not participate in any wrap fee programs.

E. Assets Under Management

Cannon Advisors has the following assets under management:

Discretionary Amounts:	Date Calculated:
\$ 136,800,290	December 31, 2023

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Total Assets Under Management (AUM)	Annual Max Fees
\$500,000 - \$1,000,000	1.50%
\$1,000,001 - \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001+	0.90%

Our minimum household account size is \$500,000. Cannon Advisors retains the discretion to waive our minimum account size on a client-by-client basis. Assets under our account minimum will be billed at our first-tier level.

Cannon Advisors will charge accounts under \$100,000 of AUM, as of 12/31, an annual technology fee of \$50. Applicable accounts will be billed in January.

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period. For held away accounts that are managed via the Pontera platform, fees are billed in advance based on the quarter-ending balance of the previous quarter. The advisory fees are established for each individual client of Cannon

Advisors based on the individual circumstances of such client and that Cannon Advisors may charge any client a different advisory fee, in its sole discretion, than the advisory fee established for the Client. These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of Cannon Advisors' fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

At Cannon Advisors' discretion, the firm may combine the account values of family members living in the same household to determine the applicable advisory fee. Combining account values may increase the asset total, ultimately resulting in the Client(s) paying a reduced advisory fee based on the available breakpoints in the fee schedule laid out above.

Financial Planning Fees

The negotiated fixed rate for creating client financial plans is between \$1,500 and \$5,000 and will be memorialized in Exhibit I of the Financial Planning Agreement. The fee will be due upon the delivery of the financial plan. Fixed financial planning fees are payable via check or wire and due upon the delivery of the financial plan.

Client may terminate the Agreement within five (5) business days of signing, without penalty, and with full refund of the advisor's fees. The Agreement shall continue in effect until the earlier of (i) Cannon Advisors' delivery of a financial plan to Client or (ii) termination by either party by giving to the other written notice. In the case of early termination prior to completion of the plan, Cannon Advisors will deliver upon termination that portion of the plan that has been prepared.

Financial Consulting Fees

The negotiated rate for a 1-2-hour client financial consultation meeting is between \$225 and \$625 and will be memorialized in Exhibit I of the Financial Consulting Agreement. Fixed financial hourly consulting fees are payable via check or wire and due upon the delivery of the financial plan.

Client may terminate the Agreement at any point after signing the Agreement and prior to the financial consulting meeting, without penalty, and with full refund of the advisor's fees. The Agreement shall continue in effect until Cannon Advisors' delivery of a meeting summary to Client. In the case of early termination, prior to delivery of the meeting summary, Cannon Advisors will deliver a full refund of all advisor's fees relative to this Agreement.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis or may be invoiced and billed

directly to the client on a monthly basis. Clients may select the method in which they are billed. Fees are paid in advance.

Payment of Financial Planning Fees

Financial planning fees are paid via check or wire, 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Payment of Financial Consulting Fees

Financial consulting fees are paid in full at signing of the Agreement via check or wire.

C. Client Responsibility for Third Party Fees

Clients are responsible for the payment of all third-party fees (*i.e.*, custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Cannon Advisors. Please see Item 12 of this brochure regarding custodian.

D. Prepayment of Fees

Cannon Advisors collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

E. Outside Compensation for the Sale of Securities to Clients

Certain of our associated persons are also licensed insurance agents. In this capacity, the IARs can recommend insurance, advisory, or other products and receive normal insurance commissions if products are purchased through the IAR(s) in this capacity. Thus, a conflict of interest exists between the interests of these individuals and those of the advisory clients, creating an incentive for the IAR(s) to recommend products based on the compensation received rather than on a client's needs. However, clients are under no obligation to act upon any of these recommendations. Although our recommendations can include products offered by third parties, these recommendations are not limited to such products, as all financial planning advice provided is of a generic nature. Clients have the option to purchase insurance products recommended by the IAR through other agents not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

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

Cannon Advisors does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Cannon Advisors generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

Our minimum household account size is \$500,000. Cannon Advisors retains the discretion to waive our minimum account size on a client-by-client basis. Assets under our account minimum will be billed at our first-tier level.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Cannon Advisors' methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis, and Technical analysis.

Charting analysis involves the use of patterns in performance charts. Cannon Advisors uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

Cannon Advisors uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not

always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Investment Strategies

Cannon Advisors' use of short sales, margin transactions, leverage ETFs and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Leveraged ETF Risk is a risk where ETFs may use leverage, which may amplify gains and losses. Most leveraged ETFs reset their leverage daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Cannon Advisors' use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company

designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Private equity funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Cannon Advisors nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Cannon Advisors nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Barbara A. Bell is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Cannon Advisors and its investment adviser representatives always act in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Cannon Advisors in connection with such individual's activities outside of Cannon Advisors.

Barbara A. Bell is the owner of Bell Divorce Advisors, Inc. After financial affidavit is complete, Barbara will provide advice and consulting services specific to the financial aspects of divorce. After completed, Barbara will coordinate with the client's attorney to ensure that all parties are on the same page. Clients should be aware that Barbara A. Bell receives additional compensation for providing these services which creates a conflict of interest with her fiduciary duties. Clients are in no way required to utilize the services of any representative of Cannon Advisors, Inc. in connection with such individual's activities

outside of Cannon Advisors, Inc.

Michael R. Boykin is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Cannon Advisors and its investment adviser representatives always act in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Cannon Advisors in connection with such individual's activities outside of Cannon Advisors.

R. Bryan Cannon is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Cannon Advisors and its investment adviser representatives always act in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Cannon Advisors in connection with such individual's activities outside of Cannon Advisors.

Jared McCutcheon is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Cannon Advisors and its investment adviser representatives always act in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Cannon Advisors in connection with such individual's activities outside of Cannon Advisors.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Cannon Advisors may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay Cannon Advisors its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between Cannon Advisors and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. Cannon Advisors will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. Cannon Advisors will ensure that all recommended advisers are licensed, or notice filed, in the states in which Cannon Advisors is recommending them to clients.

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

A. Code of Ethics

Cannon Advisors has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Cannon Advisors' Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

Cannon Advisors does not recommend that clients buy or sell any security in which a related person to Cannon Advisors or Cannon Advisors has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Cannon Advisors may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Cannon Advisors to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Cannon Advisors will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

Cannon Advisors will never engage in trading that operates to the client's disadvantage if representatives of Cannon Advisors buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians will be recommended based on Cannon Advisors' duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client

on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Cannon Advisors may also consider the market expertise and research access provided by the custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Cannon Advisors' research efforts. Cannon Advisors will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

Cannon Advisors recommends:

- Custodial Services: Schwab Institutional, a division of Charles Schwab & Co., Inc.; Member FINRA/SIPC.

1. Research and Other Soft-Dollar Benefits

While Cannon Advisors has no formal soft dollars program in which soft dollars are used to pay for third party services, Cannon Advisors may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Cannon Advisors may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Cannon Advisors does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Cannon Advisors benefits by not having to produce or pay for the research, products or services, and Cannon Advisors will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Cannon Advisors' acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

Cannon Advisors receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Cannon Advisors does not recommend, request, require or permit clients to direct us to executed transactions through a specific broker-dealer or custodian other than those Cannon Advisors recommend.

B. Aggregating (Block) Trading for Multiple Client Accounts

If Cannon Advisors buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Cannon Advisors would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Cannon Advisors would determine the appropriate number of shares and select the

appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for Cannon Advisors' advisory services provided on an ongoing basis are reviewed at least monthly by R. Bryan Cannon, President, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Cannon Advisors are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by R Bryan Cannon, President. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Cannon Advisors' services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of Cannon Advisors' advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Cannon Advisors will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Cannon Advisors receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are

available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Cannon Advisors client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to Cannon Advisors other products and services that benefit Cannon Advisors but may not benefit its clients' accounts. These benefits may include national, regional or Cannon Advisors specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Cannon Advisors by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Cannon Advisors in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Cannon Advisors' fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Cannon Advisors' accounts. Schwab Advisor Services also makes available to Cannon Advisors other services intended to help Cannon Advisors manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Cannon Advisors by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Cannon Advisors. Cannon Advisors is independently owned and operated and not affiliated with Schwab.

B. Compensation to Non – Advisory Personnel for Client Referrals

Cannon Advisors may, via written arrangement, retain third parties to act as solicitors for Cannon Advisors' investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. Cannon Advisors will ensure each solicitor is properly registered in all appropriate jurisdictions.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, Cannon Advisors will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Custody is also disclosed in Form ADV because Cannon Advisors has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, Cannon Advisors will follow the safeguards specified by our custodians rather than undergo an annual audit.

Item 16: Investment Discretion

Cannon Advisors provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Cannon Advisors generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Item 17: Voting Client Securities (Proxy Voting)

Cannon Advisors acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. Cannon Advisors will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. Cannon Advisors may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, Cannon Advisors may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between Cannon Advisors and a client, then Cannon Advisors will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes. Cannon Advisors will not ask for, nor accept voting authority for client securities held with a third-party investment manager. Clients whose assets are managed by a third-party investment manager will receive proxy voting policies directly from the investment manager and should direct proxy questions on those securities to the third-party investment manager.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting Cannon Advisors in writing and requesting such information. Each client may also request, by contacting Cannon Advisors in writing, information concerning the manner in which proxy votes

have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

Item 18: Financial Information

A. Balance Sheet

Cannon Advisors neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Cannon Advisors nor its management has any financial condition that is likely to reasonably impair Cannon Advisors' ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Cannon Advisors has not been the subject of a bankruptcy petition in the last ten years.