



FORTHRIGHT FAMILY WEALTH ADVISORY LLC

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COVER PAGE (ITEM 1)

This brochure provides information about Forthright Family Wealth Advisory LLC's qualifications and business practices. If you have any questions about its contents, please contact us at 713-510-3510. 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 Forthright Family Wealth Advisory LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES (ITEM 2)

Since the last annual update of this brochure, filed in March 2023, the following material change has occurred:

We have modified our fee schedule effective March 31, 2024, as outlined in Item 5.

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ADVISORY BUSINESS (ITEM 4)

Advisory Firm Description

Forthright Family Wealth Advisory LLC (“Forthright” or the “Firm”) has been in business since June 2019. The principal owner of the Firm is KEEN Holdings LP, a family-owned entity. Neal Carlson is the control person of the Firm.

Types of Advisory Services

Forthright is an independent, fee-only investment advisor providing clients with a detailed personalized approach on a discretionary basis. Forthright consults with clients regarding their personal financial goals and objectives.

Forthright’s investment management process is to:

- Determine the client’s risk tolerance and investment objective
- Establish Investment Policy Statement (“IPS”)
- Invest the portfolio in accordance with the IPS
- Conduct periodic meetings to review the portfolio and determine if the investment objective and/or risk tolerance has changed

Investment Management

Forthright enacts investment objectives and asset allocation by trading in the client’s account as deemed appropriate. The Firm monitors these discretionary accounts continuously, considering current market conditions, client objectives, and risk tolerance. See Item 8 for more information on Forthright’s investment strategies.

Financial Planning

Included in the services provided to clients, Forthright will develop, implement, and manage the client’s private wealth plan by actively listening to the client to learn about their unique situation. Forthright will then study, test, analyze, model, and develop planning strategies to meet the client’s financial goals.

Tailored Advisory Services

Clients are able to impose restrictions on investing in certain securities or sectors.

Client Assets Under Management

As of December 31, 2023, the Firm had \$160,849,994 in total discretionary assets under management. The Firm does not have any non-discretionary assets under management.

FEES & COMPENSATION (ITEM 5)

Investment Management

For investment advisory services, Forthright charges a monthly management fee which is assessed in arrears. Fees are calculated based on the average value of the managed assets (including cash and accrued interest) for the month ending as reported by the Custodian by (a) multiplying such average value by the applicable percentage rate and (b) dividing the product by twelve (12). Fees for the initial month and the final month will be adjusted pro rata based on the number of calendar days in the calendar month that the Investment Management Agreement was in effect. All accounts for members of a client’s family (husband, wife, and dependent children) or related businesses may be assessed on an aggregated or “household” basis in order to attain a lower fee rate.

Forthright has established the following standard fee schedule, effective March 31, 2024:

Average Monthly Balance of Managed Assets	Annual Management Fee
Up to \$1,000,000	1.2%
\$1,000,001 to \$4,000,000	1.0%
\$4,000,001 to \$6,000,000	0.9%
\$6,000,001 to \$8,000,000	0.8%
\$8,000,001 to \$10,000,000	0.7%
\$10,000,001 to \$12,000,000	0.6%
\$12,000,001 to \$14,000,000	0.5%
\$14,000,001 to \$16,000,000	0.4%
\$16,000,001 to \$18,000,000	0.3%
\$18,000,001 to \$20,000,000	0.2%
\$20,000,001 to \$100,000,000	0.1%
\$100,000,000 +	0.05%

At the discretion of Forthright, fees, fee payment structure, and account minimums are negotiable depending on the complexity of the portfolio, the client's need for additional advice, and the desired frequency of meetings. Therefore, Forthright expects that some clients with the same assets under management will pay more than others. In certain circumstances, fixed fees may be negotiated as needed.

Other Fees

Client accounts pay directly for fees assessed by the custodian, such as markups, wire, exchange, or custodial fees. For more details on the custodian relationship, please refer to the section below, "Brokerage Practices."

Implementation with Mutual Funds

When Forthright recommends a mutual fund for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is Forthright's investment management fee, which includes the fund in the asset base for the monthly fee calculation. The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration, and marketing assistance. These internal expenses are disclosed in each fund's prospectus, which is provided to each client by the custodian. (This set of fees also applies to any ETF or money market fund purchased in the client's account.) The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe of mutual fund families through one account. To avoid such fees, a client would be required to open a separate account with each individual mutual fund company instead of using the custodian recommended by Forthright, which would also negatively affect

Forthright's ability to deliver its services. Not all mutual fund trades enacted by Forthright incur this transaction fee. When recommending mutual funds for client portfolios, Forthright only recommends no-load funds.

Other Advisors

Forthright may recommend other advisors to manage certain client assets. For this service, the client will sign an agreement with the other advisor(s) and pay the corresponding fees directly to the other advisor.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT (ITEM 6)

Forthright does not charge performance-based fees on any asset or account.

TYPES OF CLIENTS (ITEM 7)

Forthright currently provides, and is available to provide, investment advisory services to:

- Individuals and families
- High-net-worth and ultra-high-net-worth individuals and families
- Foundations
- Businesses

The preferred minimum account size is \$1 million; however, smaller accounts will be accepted at the Firm's discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, & RISK OF LOSS (ITEM 8)

Methods of Analysis

Forthright uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting — Analysis of charts of past stock performance
- Fundamental — Analysis of a company's financial attributes, such as revenue growth, debt-to-equity ratio, inventory turnover, etc.
- Technical — Analysis that assumes past performance is a predictor of future performance
- Cyclical — Analysis based on business, industry, calendar, or historical cycles

Investment Strategies

Forthright takes a holistic approach to a client's portfolio and manages the following asset classes in each: equities, fixed income, real assets, and alternatives. These are allocated on a client-by-client basis according to the client's tolerance for risk (conservative, moderate, or aggressive) and then according to objective (income, growth, or income and growth). Portfolios may hold mutual funds, ETFs, individual equities, bonds, MLPs, certificates of deposit, options, and private placements.

Forthright implements its investment strategies by the following:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

- Margin transactions
- Option writing, including covered options, uncovered options, or spreading strategies
- Recommending other advisors to manage particular asset classes/assets

Risk of Loss

Forthright does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm uses, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, economic, political, and business risks and that those investment decisions will not always be profitable. Clients are reminded that investing in any security entails risk of loss, which they should be willing to bear. Other specific risks are discussed below.

Overall Investment Risk

All investing and trading activities risk the loss of capital. The nature of the securities to be purchased and traded and the investment techniques and strategies to be employed by the Firm may increase this risk. While the Firm will attempt to moderate these risks, there can be no assurance that the Firm's investment activities will be successful or that losses will not be suffered. An investment in an individual account is suitable only for persons who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments, may cause sharp market fluctuations that could affect performance.

Transactions in Securities

There is no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the prospects' invested securities. Clients may lose their entire investment or may be required to accept cash or securities with a value less than their original investment. Under such circumstances, the returns generated from investments may not be adequate compensation for the risks assumed.

Following are some risks particular to Forthright's investment strategies:

- **Fixed-Income Securities:** Some of Forthright's clients may invest in bonds or other fixed-income securities. Fixed-income securities provide periodic returns and the eventual return of the principal at the end of the term. The value of fixed-income securities changes in response to interest rate fluctuations and market perception of the issuer's ability to pay off its obligations. Fixed-income securities are also subject to the risk of their issuer and become unable to make interest or principal payments on their obligations.
- **Equity Securities:** Forthright buys, on its clients' behalf, equity securities. The value of these investments will vary with their issuer's performance and movements in the equity markets. Clients may experience losses if they invest in equity instruments of issuers whose performance diverges from our expectations.
- **Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks, with pricing occurring throughout the trading day. ETFs, like mutual funds, contain internal expenses and fees that lower investment returns.
- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss, and thus a client may lose money investing in mutual funds. All mutual funds have internal expenses and fees that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).
- **Options:** There are risks associated with the sale and purchase of options. Call options are the right to buy a security at a certain price within a defined time period. Put options are the right to sell a security at a certain price within a defined time period. A buyer of either type of option assumes the risk of losing their entire investment in the option. A buyer of a call option risks

losing their investment if the particular security never reaches the designated price within the set time period. A buyer of a put option risks losing the investment if the particular security does not decline enough to reach the designated price within the set time period.

DISCIPLINARY INFORMATION (ITEM 9)

In 2016, after Mr. Carlson terminated his relationship with a former employer, both parties initiated arbitration claims against the other related solely to the terms of Mr. Carlson's employment agreement with that former employer. The matter did not involve any allegations or findings related to Mr. Carlson's financial advisory services and did not involve any issues involving Mr. Carlson's clients. A FINRA panel issued an award on the contractual issue for the former employer, which is a FINRA member brokerage firm. In lieu of immediately paying the award, Mr. Carlson pursued avenues to appeal the award and, concurrently, reached an agreement with his former employer. Because the time needed to complete the resolution extended past the set window for resolving FINRA arbitration awards, in March 2020, FINRA directed that Mr. Carlson could not associate with FINRA brokerage firms until the award was paid or certain alternative criteria were met. However, neither Mr. Carlson nor Forthright were FINRA members at the time, and thus the FINRA matter did not limit his ability to serve Forthright's clients at any point. Mr. Carlson settled the award payment matter with his former employer in May 2020. Although he has no intention of doing so, Mr. Carlson is now able to associate with a FINRA firm if he were to ever choose so.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS (ITEM 10)

Forthright has no other financial industry affiliations.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING (ITEM 11)

Code of Ethics

Forthright has adopted a Code of Ethics that describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination from the Firm. Any client or prospective client may request a copy of the Firm's Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients' interests come before employees' personal interests and before the Firm's interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.

- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against using nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information or depend upon it in placing personal or recommending clients' securities trades.

Personal Securities Trading

Forthright or individuals associated with the Firm may buy, sell, or hold in their personal accounts the same securities the Firm recommends to its clients. This creates a potential conflict of interest with the possibility of Firm personnel obtaining a better price than clients obtain. To mitigate this conflict, personal trades in the same security may occur simultaneously with and receive the same price or after client trades. The Firm does not allow front running.

Employees are required to submit reports of personal securities trades quarterly and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease this activity.

BROKERAGE PRACTICES (ITEM 12)

Selection of Brokers

The Firm recognizes its responsibility to attain the best execution and recognizes that limiting its custodial relationships may affect its ability to provide the best execution on a trade-by-trade basis. However, the Firm evaluates its entire custodial and trading relationship to assess the best execution on a client-by-client basis. Items considered include range, quality, and access of products, technical support provided, quality of service and responsiveness to Forthright clients, the nature, quantity, and quality of research provided by the broker, the broker's reliability and financial stability, quality of trade or execution, the market for the security, and commission rates and structure, user interface (UI), ease of client use, total cost to the client, and financial responsibility.

Research and Other Soft-Dollar Benefits

Forthright currently has no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated for the Firm by individual trades the Firm places in client accounts. However, the custodian provides the Firm with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

Brokerage for Client Referrals

The Firm does not receive referrals from a broker/dealer or third parties providing service to Forthright.

Order Aggregation

Forthright aggregates brokerage orders for its clients and allocates the securities purchased or sold among the participating accounts, with each account receiving the same terms. The proportion in which participating accounts will share transactions will be determined by the Firm based on investment

objectives, cash availability, expected cash and liquidity needs, and other relevant factors. The overarching principle for that allocation is that no client is intentionally favored over another client who is similarly situated. There is no fee advantage to clients when participating in aggregated orders.

REVIEW OF ACCOUNTS (ITEM 13)

Mr. Carlson conducts periodic reviews of client accounts, generally at least monthly. This monitoring entails comparing the client's investment objective to the portfolio holdings, cash flows, changes in the client's financial position, and often discussion with the client.

Mr. Carlson will meet with each client on a periodic basis to review account(s). The frequency of these reviews can be impacted by several factors, including:

- The size and complexity of the client's accounts
- The complexity of the client's financial situation
- Unexpected changes in the client's goals or objectives
- Changes in political and economic circumstances
- Other lifestyle changes warranting a review of the client's financial situation

Periodic written performance reports will be prepared for each review, in addition to the monthly account statements and confirmations generated by the custodian of the assets and sent directly to the client.

CLIENT REFERRALS & OTHER COMPENSATION (ITEM 14)

The Firm does not pay outside individuals or entities for referring clients.

CUSTODY (ITEM 15)

Custody is defined as having any access to client funds or securities. Because Forthright generally has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, Forthright is considered to have "custody" of client assets. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account. Clients should carefully review these statements.

Forthright has standing letters of authorization to third parties to withdraw client funds or securities maintained with a qualified custodian upon its instruction to the qualified custodian. According to the SEC, this means that Forthright has custody of those clients' assets and is required to comply with the Custody Rule. Because the SEC's seven conditions have been met, a surprise exam is not required.

INVESTMENT DISCRETION (ITEM 16)

Because Forthright manages only discretionary accounts, the Firm has full trading authority under a limited power of attorney. As a result, Forthright will determine which investments, when, and how much of each, should be purchased or sold on each client's behalf. The Firm follows the investment strategy as set forth in the client's Investment Policy Statement. Clients may place restrictions on the Firm's discretion in writing.

VOTING CLIENT SECURITIES (ITEM 17)

Forthright does not vote proxies for securities held in clients' accounts. Clients receive proxy material directly from their account custodian by either email or U.S. mail. Clients may address questions concerning a proxy matter to Firm personnel via email or phone.

FINANCIAL INFORMATION (ITEM 18)

There is no financial condition that is likely to impair the Firm's ability to meet its contractual commitments to its clients.

