



Firm Brochure
(Part 2A of Form ADV)

CRD #111800
Annual Update for 2018

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This brochure provides information about the qualifications and business practices of FirsTrust, LLC ("FirsTrust"). If you have any questions about the contents of this brochure, please contact us at: (386) 788-3737 or by email at: info@FinancialTeam.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 FirsTrust is available on the SEC's website at www.adviserinfo.sec.gov

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually and when material changes occur after a previous release of the Firm Brochure.

Material Changes since the Last Update

- none

Full Brochure Available

A complete copy of the firm's Brochure (not just Material Changes) is available by contacting FirsTrust by telephone at (386) 788-3737, by email at info@FinancialTeam.com and via the SEC website at www.sec.gov.

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Advisory Business

Firm Description

FirsTrust ("the Firm") was originally founded in 1994 by Michael T. Koenig, who subsequently registered the firm as Registered Investment Advisor 1997. The firm is currently managed by Michael T. Koenig as Chief Executive Officer, Christopher Cannon as Chief Investment Officer, Michelle Cannon as Chief Operations Officer, William J. Kearney, Jr. as President.

FirsTrust provides a menu of financial services, as detailed below. These services are delivered by the firm's Investment Advisor Representatives, either individually or in the form of a collaborative team ("FinancialTeam") of advisors with specialized skills.

These services are offered to individuals, businesses, families and their related entities, such as trusts, estates, and family businesses. FirsTrust works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial needs, cash flow and budget management, tax planning, risk exposure, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, and other financial client-specific issues.

The firm's compensation is solely from fees paid directly by clients.

To further align ourselves with clients and preserve our objectivity, the firm refuses to accept commissions, gifts, referral fees, sales incentives, yield spreads, marketing bonuses, or other forms of outside compensation, including benefits from custodians or broker-dealers ("soft dollar benefits") that are not generally attached to a custodian's services.

FirsTrust also does not act as a custodian of client assets. All investment accounts that we advise are held at qualified, independent custodians, and in the client or client entity's name.

Principal Owners

Michael T. Koenig, The KFD Trust, Christopher Cannon and Michelle Cannon hold the majority ownership interest in FirsTrust.

Types of Advisory Services

The firm provides financial planning and investment management services, either on a discretionary management basis (where the firm is given the discretion to manage investment accounts pursuant to a written policy) or non-discretionary management basis (where the firm does not unilaterally buy or sell securities in the client portfolios) under 4 basic categories.

1. Financial Team Services / discretionary

Investment Management

This service traditionally includes cost and expense analysis, portfolio risk analysis, rate of return goal benchmarking, asset class selection, asset allocation benchmarking, formulation of Investment Policies, and investment portfolio management guided by a written Investment Policy Statement. Thereafter, account and entity funding, investment research and selection, portfolio implementation, portfolio management, periodic rebalancing as needed, on-going performance monitoring, and consolidated quarterly reporting is customary. This service may also include various aspects of investment-related tax management, such as on-going tax gain/loss management, cost basis & wash sale rule management and asset location strategies.

Financial & Retirement Planning

This service traditionally includes determining a rate of return goal consistent with the client's risk profile, necessary for their portfolio to achieve the client's financial objectives. Additional planning may be provided, as specifically indicated by the client, for retirement income needs, cash flow management, insurance needs and income tax liability management. We will assist, as requested, with an analysis and recommendations for quarterly income tax deposit requirements, IRA beneficiary designation and distribution planning, and the annual management of Required Minimum Distributions.

Trust & Estate Plan Consulting

This service traditionally includes an analysis of legacy objectives for the client's estate and strategies designed to achieve the client's tax and non-tax objectives for inherited assets. As requested by the client, this service may also address asset protection strategies.

2. Family Office Sub-Advisory Services / non-discretionary

The firm provides a menu of financial, administrative, and investment sub-adviser services to other unaffiliated Investment Advisor firms. Services include multi-custodial operations, investment policy guidance, research and analysis, and compliance consulting, including cybersecurity.

3. Qualified Retirement Plan Consulting / non-discretionary

A corporate Qualified Plan Sponsor may hire the firm for the installation and management of a company retirement plan in a written Agreement pursuant to US Department of Labor Interim Final Rule sec. 2550.408b-(2)c.

4. Other Consulting Services / non-discretionary

The firm may, at its discretion, offer a variety of the above services for a flat or hourly fee. The fee and terms will vary by client, but projects will customarily require a fee retainer prior to the onset of services; the balance due upon conclusion. In the event a client terminates the engagement or the desired outcome of a project is not achieved, the second half of the retainer may be waived at the discretion of the Managing Partner. Follow-up consultations, as requested by the client, may be available on an hourly basis under the same Agreement. New clients, for whom no services have yet been performed, who terminate the Agreement within five (5) days of initially signing shall be provided a full refund of any fees collected.

Tailored Relationships

All services can be tailored to the individual needs of clients; their stated goals and objectives are clarified in meetings and by correspondence, and are used to determine the appropriate course of action for each individual client. A client goals analysis and Investment Policy Statement are typically used to define and measure the clients' risks. Clients may impose restrictions on investing in certain securities or types of securities. This is typically addressed in the Investment Policy Statement and must be signed by the client. None of the firm's Agreements shall be assigned without client consent.

Assets under the Firm's Management.

As of April 1, 2018, FirstTrust managed approximately \$133,000,000.

Fees and Compensation

Description

The determination of client fees depends upon the scope of services to be provided and are negotiable at the discretion of the Managing Partner.

Fees for FinancialTeam Services

Fees for ongoing services are specified under a written agreement and calculated based upon the below schedule for new clients with portfolios above \$1 million. Investment management services are at the core of each relationship. Clients may then opt for additional tax management and planning services by increasing the fee percentage. For example, a client with \$1 million who engaged the firm for tax- managed investment, financial planning, and estate services would pay an aggregate fee percentage of 1.35% (85+15+25+10). A minimum annual fee may apply. Percentages shown in Table below are on an annual basis.

	\$0-1m	\$1-3m	\$3-5m	\$5-10m	\$10-20m	\$20-50m	\$50m+
Investment Mgt.	Min fee	0.85%	0.75%	0.65%	0.50%	0.40%	<i>negot.</i>
Investment Tax		0.15%	0.10%	0.10%	0.10%	0.05%	<i>negot.</i>
Planning Services		0.25%	0.15%	0.10%	0.10%	0.05%	<i>negot.</i>
Trust & Estates		0.10	0.10%	0.10%	0.10%	0.05%	<i>negot.</i>

Fees for Non-Discretionary Services

Fees for Qualified Retirement Plans, Home Office Sub-Advisory, and Financial Consulting Services are specified under a written agreement and billed at a negotiated AUM, hourly or fixed fee depending upon the scope of services provided.

Fee Billing

Fee Calculations

Annual fees for FinancialTeam services are billed and collected quarterly, in advance, based upon the above schedule of percentages tied to the market values of assets under management on the final day of each calendar quarter. In most cases, fees are automatically deducted from the clients' respective investment accounts at their qualified custodian. These quarterly fees are non-refundable. For new client relationships receiving FinancialTeam services, initial fees accrue prorated based upon initial estimates of account values being managed until an automatic fee deduction can be made.

Other Fees

FirsTrust charges and receives no other fees. Custodians of the client's assets may charge transaction fees which are usually small and inconsequential to the purchase or sale of a security. In some cases, custodians also charge monthly, quarterly or annual custody fees. Additional fees for custody are explained to clients when this type of arrangement is recommended. Mutual funds and exchange traded funds generally charge a built-in fee for their services as asset managers; typically found in their expense ratios. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to FirsTrust; the firm explains them to the client but does not receive any portion of them.

Past Due Accounts and Termination of Agreement

FinancialTeam service Agreements may be terminated at any time by either party by providing written notice. Termination shall be deemed to occur on the final day of the corresponding calendar quarter, since fees are billed in advance and are not refundable.

Agreements engaging FirsTrust for hourly services may be terminated at any time by either party by providing written notice. Termination shall be deemed to occur upon receipt of such notice, and any collected but unearned fees shall be refunded.

Compensation for Sales of Investment Products

FirsTrust does not accept commissions in any form whatsoever. The firm's sole compensation is from fees paid directly by our clients. FirsTrust accepts no commissions, direct soft-dollar arrangements, sales incentives, or other forms of third party compensation specifically to preserve the objectivity of our advice from outside influences and our fiduciary duty of loyalty to our clients.

Performance Based Fees and Side By Side Management

Sharing of Capital Gains

FirsTrust does not share in investment performance or capital gains on client assets because of the powerful potential conflict of interest these arrangements present. FirsTrust strongly believes that our available arrangements better align our interests with the clients'.

Types of Clients

Description

FirsTrust generally provides investment advice to individuals and families, the entities they create as well as other advisors. Client relationships often vary in scope and length of service.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis

Industry conferences, conference calls, on and off-site visits, filings with the Securities and Exchange commission, and subscription research services are the primary methods for both portfolio and security analysis.

Investment Strategies

The firm's investment strategies are determined by its Investment Committee; governed by Chief Investment Officer Christopher Cannon, CFA as Committee Chairman. All Investment Adviser Representatives of the firm are deemed Members. All the firm's employees, Investment Advisors and Advisors under Sub-Adviser arrangements are welcome to attend Committee meetings.

Investment strategies employed for clients are highly customized and developed for the unique situations of each client. FirsTrust believes Private Wealth Management is a discreet discipline and employs skills and techniques combined specifically to address each client's situation in the context of prevailing capital market conditions.

FirsTrust generally considers the strategy of strategic asset allocation combined with a value orientation, in conjunction with investment research on the general investment climate, various asset classes, and individual securities and/or strategies when implementing client investment portfolios. Each specific strategy for each client is based upon the objectives, cash flow requirements, estate plan, tax situation, and/or existing portfolio for each client. Each client portfolio is constructed and implemented with the goal of meeting each individual client's needs. FirsTrust views the investment policy statement as central in guiding each client's investment strategy.

FirsTrust's investment strategies typically incorporate a longer-term orientation, focusing on patience, discipline, and the concept of value. FirsTrust also believes that the flexibility to both overweight and underweight assets based upon these three principles is crucial to longer-term investment success. FirsTrust encourages an atmosphere for calm, reasoned, independent, and intellectually honest investment decision making and is willing to stand apart from the crowd when conditions are believed to warrant such behavior. FirsTrust strongly believes its fiduciary duty of due care requires acting with independent judgment.

Risk of loss

All investments and investment strategies have risk borne by the investor. Our investment process and principles endeavor to consider the risks and explain them to our clients throughout our relationship. Risks to the investor include the loss of capital, the loss of principal, interest-rate risk, market risk, security specific risk, inflation risk, currency risk, reinvestment risk, sequence of returns risk, business risk, liquidity risk, credit risk, and various other risks that may decrease the value of the investment portfolio. Taking all of this into consideration, FirsTrust strives to evaluate and anticipate these risks for each investment portfolio. FirsTrust does not consider volatility risk a longer-term risk of loss and believes volatility is better understood as opportunity.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in any legal or disciplinary events related to their past or present investment activities.

Other Financial Industry Activities and Affiliations

Activities

FirsTrust does not participate in any other industry business activities.

Affiliations

FirsTrust does not have arrangements that are material to its advisory business or its clients with any related person. Unrelated, third party investment managers, accountants, attorneys, real estate and/or insurance agents may occasionally be recommended, but FirsTrust accepts no compensation for the recommendation or selection of these parties.

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

Code of Ethics

FirsTrust has committed to uphold various Code of Ethics standards and to notify all employees of their ethical duties. Employees of FirsTrust agree to the Firm's Code of Ethics and these additional Codes as applicable:

Advisors designated as **NAPFA-Registered Financial Advisors** have committed to uphold a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA). The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism.

Advisors who hold the **CFP®** designation are also held to a Code of Ethics as outlined by the CFP® Board of Standards.

Advisors who hold the **CFA** designation as CFA charter holders are also held to a Code of Ethics as prescribed by the CFA Institute.

Advisors who hold the **CLU** or **ChFC** designations are also held to a Code of Ethics as prescribed by The American College.

Advisors who hold the **CIMA** designation are also held to a Code of Ethics as outlined by the Investment Management Consultants Association.

The Institute For The Fiduciary Standard

The firm has voluntarily subscribed to the best practices for financial advisors published by the Institute for the Fiduciary Standard. The best practices offer a simple code of conduct, and outline a commitment to clients of subscribing financial advisors. They seek to clearly articulate what a client can expect to receive from a subscribing financial advisor. These best practices do not replace our regulatory compliance obligations or duties to clients under relevant laws, rules, or regulations.

The Institute for the Fiduciary Standard's role is limited to publishing the best practices as well as maintaining a corresponding register of subscribing financial advisors. The firm's subscription status may be found at www.thefiduciaryinstitute.org.

FirsTrust will provide a copy of any above referenced Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions and Personal Trading

FirsTrust and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their securities ahead of clients or contrary to client positions, purchased or sold, except under conditions of hardship subject to compliance review and approval. FirsTrust employs procedures including restricted periods for employees prior to and after a security is purchased or sold for a client. Such restrictions do not apply to mutual funds or exchanged traded funds because the employee's trading activities are believed to

be insignificant to the markets, and they have no influence over specific holdings within fund structures.

Brokerage Practices

Selecting Brokerage Firms

FirsTrust does not have any affiliation with financial product manufacturing or sales firms. Specific custodian recommendations are made to clients based on their need for such services, balanced with FirsTrust's abilities to effectively manage the clients' portfolios. FirsTrust recommends custodians based on various factors such as the execution of orders at reasonable commission rates, and the quality of client service.

FirsTrust recommends discount brokerage firms, trust companies, and qualified, independent institutional custodians such as TD Ameritrade Institutional, Charles Schwab, and/or Fidelity. FirsTrust does not accept fees or commissions from any of these arrangements, although FirsTrust and its clientele may benefit from electronic delivery of client information, electronic trading platforms and other such service benefits that are normally available from traditional custodian relationships.

Soft Dollars

FirsTrust does not accept soft dollar benefits from the custodians to whom the firm recommends clients. FirsTrust and clients may benefit from other services provided by custodians, such as research, continuing education, and practice management advice. These benefits are considered standard in a relationship with these custodians and are not in return for client recommendations or transactions.

Directed Brokerage

FirsTrust does not typically direct brokerage for specific client transactions except individual bonds, for which the firm selects the broker-dealer with the most favorable pricing. When more than one account is trading a particular security on the same day, block trading may be used to obtain identical pricing for all affected clients on the trades.

Review of Accounts

Periodic Reviews

Portfolios under the firm's discretionary management are reviewed at least quarterly. Clients who engage the firm on an hourly basis are given the option to return periodically, at their own expense, for an update of their financial plan. Portfolio reviews are conducted by the team members assigned to each client's engagement. Investment Policy Statements are also reviewed by the Chief Investment Officer.

Review Triggers

Portfolio reviews for ongoing supervisory management clientele are often performed more frequently when market conditions dictate or when a client's situation, objectives or psychology changes. A review may also be triggered by client request, when new information arises, or when relevant tax laws change.

Regular Reports

Reports are provided to ongoing supervisory management clients. Reports may consist of an individualized summary, our general thoughts on capital markets and the economy, portfolio performance, tax-related information, updates to a financial plan, charts, graphs, and/or other reports as needed. They are always in addition to, never in lieu of, client custodian statements.

Client Referrals and Other Compensation

Incoming Referrals

FirsTrust has been fortunate to receive many referrals from other clients, attorneys, accountants, employees, professional associations, personal friends and other sources. The firm pays nothing for most of the referrals it receives. Certain non-affiliated individuals may be engaged under a written Solicitor's Agreement to offer the firm's services to prospective clients. A full explanation of the referral terms is provided to those prospective clients at the time of solicitation. Client fees are not increased to cover referral fees. The client's fees will be consistent with the level of services provided, and uninfluenced by referral fees, if any.

Referrals to Other Professionals

FirsTrust does not accept referral fees.

Custody

Account Statements

Assets are typically held at qualified, independent custodians, who provide account statements directly to clients at their address of record at least quarterly. Clients are encouraged to carefully review the statements provided by their custodians. Clients are, at times, also provided additional statements generated from portfolio reporting and financial planning software.

SEC "Custody"

FirsTrust policy is that we do not take custody of client assets.

Investment Discretion

Discretionary Authority for Trading

FirsTrust will accept discretionary authority to manage investment accounts on behalf of clients who select and agree to this service. FirsTrust has the authority to determine, without obtaining specific client consent, the investments to be then bought or sold, and the amount of the investments to be bought or sold.

Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that the advisor may implement the Investment Policy approved by the clients. In some cases, clients may impose trading limitations on this authority by designating certain securities be held, or avoided, in the Investment Policy Statement. In other cases, third party investment managers have full discretion over trades and do not consult with FirsTrust, or with clients, before placing trades. In all cases, clients are provided with an opportunity to review and discuss prior to the implementation of general investment recommendations.

Limited Power of Attorney

Clients typically permit discretionary trading authority in their service agreement with FirsTrust, and all clients must sign a limited power of attorney before FirsTrust is granted the discretionary authority. The limited power of attorney is generally included in the qualified custodian's account application.

Voting Client Securities

Proxy Votes

FirsTrust will accept authority to vote client securities, but does not require it.

Once explained, clients generally request FirsTrust to vote their proxies because they are unfamiliar, unwilling, or uninterested in voting proxies themselves. Most clients find the receipt of proxies a nuisance and report they simply throw proxy material away. FirsTrust initially accepted authority from clients to vote proxies at the clients' request simply to stop their receipt of "unnecessary" paper and communications.

The practice of prudent Private Wealth Management often demands that securities purchased by or for clients in their past be held in the client's portfolio under FirsTrust's ongoing supervisory management. Selling existing client securities may result in tax liabilities or costs. Existing client securities may also serve a useful purpose in the current client portfolio. This has resulted in hundreds of securities held throughout all client holdings.

FirsTrust strives to vote proxies or other beneficial interests in client securities solely in the best long-term economic interest of advisory clients and their beneficiaries, considering relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote.

FirsTrust retains the services of an outside proxy administrator to assist in applying the proxy voting policy and proxy voting reporting for FirsTrust's clients. The proxy administrator places and records the votes based upon standing instructions given by FirsTrust to the proxy administrator. FirsTrust generally instructs the proxy administrator to vote with the Board of Directors (which shares in the Fiduciary duty to shareholders) on most matters.

FirsTrust generally opposes anti-takeover measures since they tend to reduce shareholder rights. Examples of such issues include prevention of Greenmail, supermajority provisions, poison pills, and other defensive strategies that may harm longer-term economic value for shareholders.

FirsTrust makes its best efforts to avoid material conflicts of interest in the voting of proxies. However, should material conflicts of interest arise, FirsTrust is committed to disclosing and resolving the conflict of interest in the clients' interests. If a conflict arises, FirsTrust may contact the client, contact a third-party proxy consultant, a compliance consultant, another shareholder, or refer to the Proxy Voting Policy for guidance.

Using FirsTrust's designated proxy service, clients may direct a proxy vote by calling or writing FirsTrust to inform us of their desired vote directed on a best efforts basis. Copies of an individual client's historical votes and FirsTrust's Proxy Voting Policy are available upon request.

Financial Information

Financial Condition

FirsTrust has no financial impairment that precludes the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because FirsTrust does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees six months or more in advance.

Business Continuity and Disaster Response/Recovery Plan

General

FirsTrust has a Business Continuity Plan in place that includes a cross-purchase Buy-Sell Agreement in the event of an owner's death.

Disasters

The Disaster Response and Recovery Plan covers natural disasters such as storms, hurricanes, tornados, fire, and flooding. The Plan also covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications outage, Internet outage, railway accident and/or aircraft accident. Electronic files are designed for backup electronically by a redundant utility daily.

Alternate Offices

Alternate work locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving the office to an alternate location.

Information Security Program

Information Security

FirsTrust employs a Chief Information Security Officer who oversees compliance with SEC regulations release 17 CFR part 248 pertaining to the safeguarding of customer records and information. FirsTrust maintains firewall barriers, implements secure data encryption protocols, utilizes secure authentication techniques, and provides cyber security employee training in our computer environments.

Privacy Policy

FirsTrust is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. The categories of nonpublic information FirsTrust collects from clients may include information about personal finances, information about health to the extent that it is needed for the financial planning process, and information about transactions between clients and third parties. We use this information to help our clients meet their personal financial goals.

Only with a client's written permission will the firm disclose limited information to attorneys, accountants, and/or third parties authorized in the client's agreement. With client permission, a limited amount of information is also shared with the client's custodian(s).

The firm does **not** provide personal information to mailing list vendors or solicitors. A Privacy Notice is delivered to FirsTrust clients annually, in writing, as required by law.