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Part 2A Appendix 1, Wrap Fee Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Brent Forrest & Associates, LLC. If you have any questions about the contents of this brochure, please contact us at (210) 530-9599. 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. Brent Forrest & Associates, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Brent Forrest & Associates, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Brent Forrest & Associates, LLC is 126266.

MATERIAL CHANGES

Summary of Material Changes

There have been no material changes to our business since the last annual update on March 23, 2012.

If you would like a copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Brent Forrest at (210) 530-9599 or brent@brentforrest.com.

We encourage you to read this document in its entirety.

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SERVICES, FEES AND COMPENSATION

This document, offered by Brent Forrest & Associates, LLC, hereafter known as BF&A, discloses information about the investment advisory services we provide and the manner in which we provide them to you, the client. This brochure discusses our asset management services offered on a “wrap” fee basis

We are a fee-based investment management and financial planning firm located in San Antonio, Texas, specializing in proactive investment advisory and planning services for investors. The firm was established in 1995 by Brent Forrest, the firm’s principal owner.

Asset Management Services

We offer clients portfolio management through our asset management services program. Through the program, our clients receive investment analysis, allocation recommendations, monthly or quarterly statements reflecting holdings and transactions, quarterly statements, and ongoing account monitoring services for a portfolio which may include mutual funds and exchange-traded funds. BF&A will exercise discretionary trading authority while providing services. This means we will have authority to purchase and sell securities of their choice in the amounts and at the times we believe is suitable for your account to do so. We do not recommend the use of third-party investment managers to manage any portion of your assets.

The initial asset allocation recommendations are based on the financial information gathered from you including net worth, risk tolerance, financial goals and objectives, investment restrictions and overall financial conditions. Based on this information, you are provided with investment recommendations designed to provide an appropriate asset mix consistent with your objectives. Your portfolio and the performance are monitored in light of your stated goals and objectives. The frequency of these reviews is determined by BF&A. We will meet with you on an as needed basis to discuss the portfolio and other aspects of the service. Since BF&A is the only manager in the program, you may contact us at any time.

We typically recommend that investment management clients use the custody and transaction services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc., hereafter known as “TD Ameritrade”, member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. TD Ameritrade also provides preparation of account activity statements, and facilitation of the payment of advisory fees due BF&A.

As a general rule, we believe that investing is best suited to those who believe in a long-term buy and-hold policy. Therefore, you should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, portfolio modifications may be advisable and made.

As indicated above, when providing Asset Management Services, we will exercise discretion when you grant to BF&A in the investment management agreement. When doing so, it allows us to select the securities to buy and sell, the amount to buy and sell and when to buy and sell without obtaining specific consent from you for each trade. You should be aware we may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Execution of securities transactions are covered by the wrap service fee implemented through TD Ameritrade but may not be better than the commissions or execution available if you used another brokerage firm. However, we believe that the overall level of services and support provided to you by custodians and broker-dealers for any trade not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, we may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and/or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which we then allocate to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If you direct us to effect transactions through a particular broker/dealer, we will do so. However, such an instruction may have implications to you which may include incurring transaction costs and commissions that may be higher or lower than if the instruction had not been given. Also, restricting us to particular broker/dealers may limit our ability to include a client account order within block orders to obtain the best price or execution.

We do not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by BF&A. We may recommend Exchange-Traded Funds, hereafter known as "ETFs". ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Although we generally do not exercise discretion to select brokerage firms, we typically recommend the custodial services of TD Ameritrade, a securities broker/dealer, Member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member.

You should be aware of the fact that not all advisers require clients to use a particular brokerage firm. Because clients having accounts managed by BF&A are required to open accounts with, and use the transaction services of TD Ameritrade, we may not be able to achieve the most favorable execution of client transactions. Thus, use of only TD Ameritrade may cost you more money.

We do not process transactions through TD Ameritrade in return for TD Ameritrade referring new clients to BF&A.

Asset Management Services Wrap Fee

Fees payable for asset management services are calculated as a percentage of the total value of investments under management. Our investment advisory fees shall not exceed 1.5% annually. The specific advisory fees are set forth in your Investment Advisory Agreement. In certain circumstances, our fees and the timing of the fees may be negotiated.

The asset-based fee includes all fees and charges for services, as applicable, for BF&A and transaction fees. However, this fee does not include the following: (a) charges for services provided by BF&A outside the scope of this Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, account fees and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) other fees and charges imposed because we may choose to effect securities transactions for the account with or through a broker-dealer other than the custodian; (d) sales loads and internal operating expenses on mutual funds, exchange traded funds and variable insurance contracts; (e) commissions on transactions occurring after notice of Agreement termination is given; and (f) commissions on transactions ordered by a client. Each of these additional charges may be separately charged to your account or reflected in the price paid or received for a given security.

The annual fee for portfolio management services is billed monthly in advance based on the market value of the assets on the last day of the preceding month as reported by the custodian. Fees are not assessed in the month the portfolio management agreement is executed. The fee is billed on the first full month. Fees are assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management.

Either BF&A or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given, and any unearned fees will be refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

With prior client permission, fees payable to us are deducted from your account when due. We will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the investment management agreement. The periodic portfolio statements from the custodian disclose all amounts disbursed from your account, including advisory and service fees paid.

Costs

Our “wrap” fees shown above (fees which include both BF&A advisory fee and certain transaction fees) may be more or less than those charged by us to another client for similar services, and by other advisers for similar services.

Also, our “wrap” fee may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately. The factors that bear upon the cost of services are the size of the account, type of transaction and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commission’s being charged to the account.

Internal Fees of Funds and Other Excluded Costs

Since exchange-traded funds or mutual funds are part of a client’s portfolio, the mutual funds charge additional and separate internal fees as described in the fund’s prospectus. Thus, when these funds are in a client’s account, two advisory fees are imposed: one internally by the fund, the other by BF&A.

Not all transaction-related expenses are covered by the “wrap” fee. Certain account charges by the custodian, commissions and costs for transactions not placed through our recommended custodian, commissions on transactions occurring after termination of our services agreement, and client-ordered transaction commissions are not covered. See the “Fees” section above.

Wrap Fee Incentives

Because we absorb certain transaction costs, we may have a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to us, thereby reducing our revenue. Thus, an incentive exists to place trades less frequently. Also, because fees are asset-based, there is an incentive for us to recommend that you do not reduce positions since doing so will reduce the fee to our firm. Also, we may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

We do not guarantee the results of investment management or consulting advice we give, including the performance of our investment models. Thus, significant losses can occur by using our services.

Other Compensation

Associates of BF&A are also licensed to offer securities and insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through our associates which are not covered by the wrap fee. When selling these products, a conflict of interest exists.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We provide investment advice to individuals. A minimum of \$300,000 is required to open and maintain an account. We may waive account minimums at our sole discretion.

PORTFOLIO MANAGER SELECTION AND EVALUATION

We do not select and review outside portfolio managers. All portfolio management is performed by BF&A. Since there are no outside manager utilized there is no conflict of interest between our own portfolio management and management from a third party.

Brent Forrest acts as the portfolio manager for our wrap fee program.

Advisory Business. See description above.

Performance Based Fees and Side-By-Side Management. We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). All fees are disclosed above.

Methods of Analysis, Investment Strategies and Risk of Loss.

The method of analysis we utilize is both fundamental and technical. We gather our information for investment purposes from financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

Once asset allocations are determined for the general asset classes, we then further refine the investment selection by determining where to place emphasis in the portfolio and what to under-emphasize or to avoid. For equities, this involves the determination of how to allocate funds to U.S. vs. foreign stocks, growth style vs. value style and how much to allocate to the various stock capitalizations (*i.e.* large, midsized, and small companies). For bonds, determination must be made as to the allocation to U.S. vs. foreign, long-term vs. short-term, investment grade vs. high yield, traditional bonds vs. inflation adjusted and taxable vs. tax-free.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced at least annually to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the annual rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation. Your account may also receive informal reviews more frequently.

Investment Philosophy

Prior to making recommendations, we determine your financial status, needs, time horizon, investment objectives, risk tolerance, and tax status. From this, we create an investor profile and general asset allocation target. While we believe asset allocation is a primary factor affecting long-term rate of return, we also believe fundamental research and securities selection are vital as well. To that end, we select from a narrow, refined list of institutional fund managers known for excellence in their respective disciplines. We focus primarily on the people, processes, research, consistency, and culture rather than simply recent “high performance” or “track record”.

As much as reasonably possible, we strive to:

- Diversify strategically with non-correlating assets.
- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible.

Risks

You are advised and are expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect an account’s performance that could result in capital losses in your account. Investing in securities involves risk of loss which you should be prepared to bear.

There are principal and material risks involved which may adversely affect the account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolios from achieving its investment objective. It is important to read all the disclosure information provided and to understand that you may lose money by investing in the any of our strategies. You should be aware that

Your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager’s investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio’s investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are

subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.

- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio’s investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk**. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk**. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- **Inflation Risk**. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.

Voting Proxies on Client Securities. We do not vote proxies on behalf of clients who will receive such notices from their account’s custodian. We also do not take any action on legal notices we or a client may receive from issuers of securities held in a client’s managed account. However, we are available to answer questions regarding such notices.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We do not use outside portfolio managers. All client information is maintained by BF&A. Client information is review and updated at least annually.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

As the portfolio manager, clients are free to contact us at any time.

ADDITIONAL INFORMATION

Disciplinary Information

BF&A does not have any legal, financial or other “disciplinary” item to report.

Other financial Industry Activities and Affiliations

Insurance

We offer financial and retirement planning services. These services are offered to clients with or without investment advice. We spend a portion of our time providing financial and retirement planning services without investment advice. In addition, we are also licensed insurance agents and can sell various life insurance products, long term care and annuities. As a result, BF&A or certain associated persons may receive compensation for these activities as insurance agents. A small portion of the time we spend is in connection with these activities.

Broker Dealer

Investment Advisor Representatives, hereafter known as "IARs", of BF&A are registered representatives of Purshe Kaplan Sterling Investments, LLC, hereafter known as "PKS", a securities broker-dealer, and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of BF&A and our IARs is spent in connection with broker/dealer activities.

As a broker-dealer, PKS engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by BF&A or its IARs, investments in securities may be recommended for clients. If PKS is selected as the broker-dealer, PKS and its registered representatives, including IARs of BF&A, may receive commissions for executing securities transactions. When IARs of BF&A receive commissions in connection with the advice given to advisory clients, BF&A may reduce a portion of its fees by the amount of the commissions earned by BF&A IARs.

You are advised that if PKS is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of BF&A or PKS.

BF&A may provide advice regarding investment company securities. You should be aware that, in addition to the advisory fees you pay in connection with any BF&A program, each investment company also pays its own separate investment advisory fees and other expenses. Such fees and expenses are disclosed in the mutual fund's prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of BF&A.

Moreover, you should note that under the rules and regulations of FINRA, PKS has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require PKS to coordinate with, and have the cooperation of its registered representatives that operate as, or are

otherwise associated with, investment advisers other than PKS. Accordingly, PKS may limit the use of certain custodial and brokerage arrangements available to clients of BF&A and PKS may collect as paying agent of BF&A the investment advisory fee remitted to BF&A by the account custodian. PKS may retain a portion of the investment advisory fee so remitted as a charge for the functions it performs and such portion may be further re-allowed to other registered representatives of PKS. The charge will not increase the brokerage charges to you or the fee you have agreed to pay BF&A.

IARs of BF&A may, in their capacity as registered representatives of PKS, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received by BF&A or its IARs in connection with the advice given to advisory clients, BF&A may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by BF&A or its IARs. However, clients should note that they are under no obligation to purchase any investment products through BF&A or its IARs.

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

We do not as principal buy securities for our own accounts from any client or sell securities we own to any client or as broker or agent effect securities transactions for compensation for any client. BF&A and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of BF&A, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

All advisory personnel are required to report to the Firm's Chief Compliance Officer initial and annual holdings and quarterly transactions in reportable securities, as defined in the Code and the Chief Compliance Officer is responsible for reviewing such reports. The Code also sets forth general standards of conduct and practices to be followed by all personnel to minimize conflicts of interest, including restrictions on gifts to or from brokers, clients and others, restrictions on service on the boards of other companies, restrictions on participation in investment clubs and policies designed to prevent personal trading conflicts. In addition, the Code (including the

Firm's Insider Trading Policy Statement) includes provisions designed to prevent and enforce the Firm's strict policy against the misuse of material non-public information by all personnel. The Firm's Chief Compliance Officer is responsible for the oversight and administration of the Code.

All associated persons sign a letter of acknowledgment that they have read the Personal Trading Policy, fully understand it and will abide by it at all times while under the employ of BF&A.

Additionally, we have established the following restrictions in order to ensure our firm's fiduciary responsibilities and mitigate any conflicts of interest:

1. A director, officer or employee of BF&A shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of BF&A shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of BF&A.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

Review of Accounts

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by Brent Forrest, Chief Investment Officer. An annual review is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

You are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for your account. In addition

to the quarterly statements and confirmation of transactions that you receive from the custodian, BF&A, through the outside vendor, Asset Book, will be provided detailed quarterly account statements.

Client Referral and Other Compensation

We participate in TD Ameritrade's institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. We may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by BF&A or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by BF&A or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you.