

## Item 1 – Cover Page

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**This brochure provides information about the qualifications and business practices of LWA Fund Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 940-8000. 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 LWA Fund Advisors, LLC. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Clients can search this site by using Advisor's name or by an identification number known as a CRD number. The CRD number for Advisor is 154304.**

## Item 2 Material Changes

Since our last brochure update was filed in March 2014, the following changes have occurred:

- Lincoln Wealth Strategies, LLC. purchased 100% ownership of FA Advisor Network, LLC, from previous owners Matthew Myland, Fund Architects, LLC., and Tyrone Clark.
- John E. Labunski is the owner of Lincoln Wealth Strategies, LLC.
- FA Advisor Network, LLC. changed its name to LWA Fund Advisors, LLC.

No other material changes have been identified at this time.

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## **Item 4     Advisory Business**

### ***Advisory Services***

LWA Fund Advisors, LLC. (the “Advisor”) is a registered investment adviser in Texas providing investment management services to individuals, private pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. Advisor’s services and fee arrangements are described in the following pages.

Advisor is a limited liability company formed under the laws of the State of Texas with office location in Texas. The principal owner is Lincoln Wealth Strategies, LLC.

For certain clients, the Advisor may hire Fund Architects, LLC. to manage client portfolios by allocating assets among various mutual funds and exchange traded funds (together “funds”) using one or more of Fund Architects’ investment strategies (collectively referred to as “investment strategy”).

The Advisor’s management using the investment strategy has been designed to comply with the safe harbor provided under Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly-managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following features have been specifically included in the Advisor’s management using the investment strategy:

1. Initial Interview – an initial interview is conducted with each client to determine the client’s financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant circumstances;
2. Individual Treatment – the client’s account is managed on the basis of the client’s financial circumstances and investment objectives;
3. Consultation – an Advisory Affiliate of the Advisor or the client’s representative knowledgeable about the client’s account shall be reasonably available to consult with the client relative to the status and management of their account;
4. Notice of Transactions – the client shall receive notice of all transactions in their account as if they had maintained a similar account outside of the investment strategy;
5. Quarterly Statement – the client shall be provided with a quarterly statement containing a description of all activity in the their account;
6. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of their account, including the ability to instruct the Advisor not to purchase certain securities or types of securities;

7. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client’s account;

8. Separate Account – a separate account is maintained for the client with the custodian; and

9. Ownership - each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

In addition to the foregoing, clients may, in writing, place reasonable limitations upon the investment strategy. The investment strategy may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client’s individual tax ramifications.

Advisor will have the power and authority, as granted by the client to make investment decisions over the portion of the client’s assets managed by Advisor.

### ***Sponsored Investment Management Platforms or Investment Wrap Programs (Platform)***

The Advisor does not participate in Wrap Programs.

### ***Investment Consulting Services***

The Advisor may provide non-discretionary investment consulting services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer sponsored retirement plans. In so doing, the Advisor recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client’s retirement plan. Under this program, all investment implementation services will be determined and initiated by the client. Advisor will not have trading authority over the client accounts.

The client may make additions to and withdrawals from the account at any time. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to the Advisor, subject to the usual and customary securities settlement procedures. The Advisor designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client’s investment objectives.

The Advisor's clients are advised to promptly notify the Advisor if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Advisor's management services.

As an alternative, the client may be charged a regular flat fee for investment advice regarding their non-discretionary account(s). A portion of this fee may be shared with an introducing advisor firm.

Any client who has not received a copy of the Advisor's written disclosure statement at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate the Advisor's services without penalty.

### ***Assets Under Management***

As of the 'Close of Business' on August 31, 2013:

Discretionary Assets-	\$1,500,000
Non-discretionary Assets-	\$0
<b>Total AUM</b>	<b>\$1,500,000</b>

## **Item 5 Fees and Compensation**

### ***Discretionary Investment Management Fees***

The Advisor offers its services for a fee based on a portion of the client's assets under Advisor's management. Prior to engaging the Advisor to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Advisor setting forth the terms and conditions under which the Advisor shall render its services (collectively the "Agreement").

In the event the client determines to engage the Advisor to provide investment management services, the Advisor shall do so on a fee basis. If engaged, the Advisor shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Advisor. The Advisor's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The Advisor's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee shall vary (between 0.0% and 2.50%)

depending upon the market value of the assets under management and the type of investment management services to be rendered. Upon termination of the Advisory Agreement, fees paid in advance by the client shall be refunded on a pro-rata basis.

The Advisor generally imposes a minimum portfolio value for its investment management services. The Advisor, in its sole discretion, may negotiate to waive its stated account minimum or charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

Clients may incur certain charges imposed by the Financial Institution(s) and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Advisor's fee.

The Advisor's Agreement and/or the separate agreement with the Financial Institution(s) may authorize the Advisor through the Financial Institution(s) to debit the client's account for the amount of the Advisor's fee and to directly remit that management fee to the Advisor in accordance with applicable custody rules. The Financial Institution(s) recommended by the Advisor have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Advisor.

Upon Advisor's approval or discretion a client may be billed via direct invoice due at the time of receipt.

Lower fees for comparable services may be available from other sources.

### ***Investment Consulting Fees.***

The Advisor's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee shall vary (between 0.0% and 2.50%) depending upon the market value of the assets under management and the type of investment consulting services to be rendered. Advisor will directly bill, via invoice, any client for which it acts on a consulting basis only.

For the initial quarter of investment consulting services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between the Advisor and the client will continue in effect until terminated by either party pursuant to the terms of the

Agreement. The Advisor's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

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

Advisor does not charge performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

## **Item 7     *Types of Clients***

Advisor primarily provides services to retail clients. These are clients for whom the relationship with the Advisor has been established directly, without the involvement of a solicitor or other unaffiliated investment advisor firm as intermediary.

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

Advisor does not manage proprietary investment strategies. Please refer to the ADV2, and other related disclosures, of the third-party investment advisor who is responsible for overseeing your investment strategy.

### ***Methods of Analysis***

Advisor does not have an investment committee to analyze market conditions and develop strategies.

### ***Risk of Loss***

All the mutual funds and ETFs that comprise a client's account may fluctuate in price every day and can and do lose money.

The risks of mutual funds and ETFs include, but are not limited to, the following:

Investment risk—Every mutual fund and ETF is run by a manager who is making decisions on which stocks and bonds to buy and sell. These securities can lose money causing the mutual fund or ETF to lose money.

Operation risk—Every mutual fund and ETF is an investment company that is run by an advisor and a board of directors that is responsible for managing the funds operations and following the laws and regulations relevant to ETFs and mutual funds. The

managers of the fund company may commit fraud, malfeasance, or simply bad decisions that result in higher expenses for the funds investors, mistaken calculations of the fund's true value, and losses of fund assets.

Timing risk—The managing investment advisor attempts to buy mutual funds and ETFs at times when they are likely to go up in price, and to sell mutual funds and ETFs before they go down in price. However, it is possible that mutual funds and ETFs go down in price and thereby lose some of the client's money.

Tax risks-- Securities in the investment strategy may be bought and sold without regard to a client's individual tax ramifications, and so portfolio turnover could cause the client to incur tax obligations that negatively affect the after-tax return.

Trading risk--Certain investment opportunities that become available to the Advisor's clients may be limited. In order to meet its fiduciary duties to all of its clients, the managing advisor will endeavor to allocate investment opportunities among its clients on a fair and equitable basis. Participation in the investment strategy carries additional risk to clients in that a mutual fund or insurance company may unilaterally restrict and/or prohibit trading activities thus prohibiting it from managing the assets consistent with the investment strategy.

## **Item 9      Disciplinary Information**

Neither the Advisor, nor its management persons, has been involved in disciplinary or legal events regarding its advisory business or the integrity of management of client's accounts.

## **Item 10    Other Financial Industry Activities and Affiliations**

LWA Fund Advisors, LLC. is wholly owned by Lincoln Wealth Strategies, LLC. John E. Labunski is the owner of Lincoln Wealth Strategies. Both Lincoln Wealth Strategies and John E. Labunski also engage in financial planning and hold an insurance license.

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

The Advisor and persons associated with the Advisor ("Associated Persons") are not permitted to buy or sell securities that it also recommends to clients consistent with the Advisor's policies and procedures.



The Advisor has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Advisor or any of its associated persons. The Code of Ethics also requires that certain of the Advisor's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Clients may contact the Advisor to request a copy of its *Code of Ethics*.

Unless specifically permitted in the Advisor's *Code of Ethics*, none of the Advisor's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Advisor's clients.

When the Advisor is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Advisor is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## **Item 12 Brokerage Practices**

The commissions paid by the Advisor's clients shall comply with the Advisor's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Advisor determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Advisor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions for each client generally will be effected independently, unless the Advisor decides to purchase or sell the same securities for several clients at approximately the same time. The Advisor may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Advisor’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Advisor’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Advisor determines to aggregate client orders for the purchase or sale of securities, including securities in which the Advisor’s *Advisory Affiliate(s)* may invest, the Advisor shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Advisor shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Advisor determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Advisor may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist the Advisor in its investment decision-making process. Such research generally will be used to service all of the Advisor’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

The Advisor may receive from one of our qualified custodians, Pershing, without cost to the Advisor, computer software and related systems support, which allow the Advisor to better monitor client accounts maintained at Pershing. The Advisor may receive the software and related support without cost because the Advisor renders investment

management services to clients that maintain assets at Pershing. The software and related systems support may benefit the Advisor, but not its clients directly. In fulfilling its duties to its clients, the Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Advisor's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Advisor's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

If the client requests the Advisor to arrange for the execution of securities brokerage transactions for the client's account, the Advisor shall direct such transactions through broker-dealers that the Advisor reasonably believes will provide best execution. The Advisor shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Currently, Advisor recommends clients establish brokerage accounts with TDAmeritrade Institutional, Division of TD Ameritrade, Inc. Member FINA/SIPC/NFA (TD Ameritrade), to maintain custody of clients' assets and to effect trades for their accounts. Advisor is independently owned and operated and not affiliated with TD Ameritrade. TD Ameritrade provides Advisor with access to its institutional trading and custody services, which are typically not available to TD Ameritrade retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. TD Ameritrade's services include brokerage, custody, research 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 Advisor's clients' accounts maintained in its custody, TD Ameritrade generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through TD Ameritrade or that settle into TD Ameritrade accounts.

TD Ameritrade also makes available to Advisor other products and services that benefit Advisor but may not benefit its clients' accounts. Some of these other products and services assist Advisor in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and allocation of aggregated trade orders from multiple client accounts); provide research, pricing information and other market data; facilitate payment of Advisor's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

An introducing advisor/solicitor or a client may also direct the Advisor in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Advisor will not seek better execution services or prices from other broker-

dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by the Advisor (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Advisor may decline a client’s request to direct brokerage if, in the Advisor’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

## **Item 13    Review of Accounts**

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Advisor and to keep the Advisor informed of any changes thereto. The Advisor or a representative on behalf of the Advisor or the client’s investment advisor shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Advisor provides investment advisory services will also receive a report from the Advisor that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time.

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

If a client is introduced to the Advisor by either an unaffiliated or an affiliated solicitor, the Advisor may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee may be paid from the Advisor’s investment management fee or be charged as an additional fee to the client, which relationship shall be disclosed. If the client is introduced to the Advisor by an unaffiliated solicitor, the solicitor shall provide the client with a copy of the Advisor’s written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor’s disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of the Advisor shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Advisor’s written disclosure statement at the time of the solicitation. In addition, as discussed above, the

Advisor may charge a one-time fee on all new assets to compensate wholesalers to the firm.

## **Item 15 Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

LWA Fund Advisors, LLC. (LWA) is deemed to have custody of client funds and securities whenever LWA is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody LWA will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which LWA is deemed to have custody, the Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from LWA. When clients have questions about their account statements, they should contact LWA or the qualified custodian preparing the statement.

## **Item 16 Investment Discretion**

Upon receiving written authorization from the client, the Advisor provides discretionary investment advisory services for client accounts. When discretionary authority is granted, the Advisor will have trading authority to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

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

Clients will receive proxies and other solicitations either directly from their qualified custodian or a transfer agent. Since Advisor does not vote proxies on behalf of its

clients, we neither receive copies of proxies nor give advice or guidance on any particular action.

## **Item 18 Financial Information**

The Advisor does not require or solicit prepayment of more than \$1,200 in fees, six or more months in advance, and therefore is not required to provide financial information.

## **Item 19 Requirements for State-Registered Advisers**

There are no additional disclosures to report.