

Advisory Alpha, LLC

Part 2A of Form ADV: Firm Brochure

This brochure provides information about the qualifications and business practices of Advisory Alpha, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 530-1400 or by email at: email@advisoryalpha.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.

We are a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Advisory Alpha, LLC is also available on the SEC's website at www.advisorinfo.sec.gov. Advisory Alpha, LLC's CRD number is: 158282.

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Item 2: Material Changes

This Item identifies and summarizes only those material changes that have occurred since the last annual update of our firm brochure. Since that time, we made the following material changes:

Item 4: Advisory Business – Advisory Alpha, LLC offers tax preparation through properly qualified and licensed individuals or independent accounting firms.

Item 5: Fees and Compensation – While ongoing fees were typically charged based on a percentage of assets under management, we now allow additional flexibility in how fees are charged. This consists of a percentage of AUM fee structure or a fixed annual fee amount that is paid quarterly, either in arrears or in advance.

Item 5: Fees and Compensation – Generally, our fees are paid quarterly in arrears, however, we now offer increased flexibility whereby fees may be paid in advance.

Item 10: Other Financial Industry Activities and Affiliations – Some of our investment adviser representatives are licensed through registered investment advisers that are not affiliated with Advisory Alpha, LLC.

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Item 4: Advisory Business

Introduction and Overview

This brochure contains important information. We encourage you to read it carefully and ask questions if there is any information that you do not understand.

In this brochure, references to “we,” “us,” “our,” or “our firm” refer to Advisory Alpha, LLC. Individuals who serve as our managers, officers, employees, and investment adviser representatives may also be referred to as our “advisers.” Our firm’s clients and prospective clients are referred to as “you,” “your,” or “our clients.”

Advisory Alpha, LLC is a Michigan based investment adviser registered with the SEC since 2011. Our principal owner is Steve Osterink, Jr., CFA®, CFP®, AIF® and the control person is Steven Osterink, Sr. Janine Osterink serves as our Chief Compliance Officer.

We have an Investment Team that provides oversight of the investment management process, including portfolio allocation, security analysis, and investment selection. The Investment Team is led by Steve Osterink, Jr., CFA®, CFP®, AIF® and Steve Osterink Sr. Other members include Jon Lohr CFA®, Brian Kragt, Nick Heinrich, CFP®, and Janine Osterink.

Types of Advisory Services

We offer the following advisory services:

Core Allocation Series

Our Core Allocation Series is composed of five portfolio models: Guardian, Yield Plus, Fundamental, Dynamic, and Opportunity. These portfolios are institutional-quality, diversified solutions structured to reach a diverse range of investment goals.

- Strive to deliver optimal total return (growth and income) through an actively-managed, go-anywhere investment approach
- Extensively diversified across traditional and specialized investment types including stocks, bonds, foreign investments, hard assets, and hybrid securities
- Form the foundation of each investor’s portfolio by seeking maximum returns based on the stated level of risk

Focused Objectives Series

Our Focused Objectives Series is a collection of specialty portfolios, which offer targeted investment solutions specific to clients with unique financial goals. These investment strategies are typically only appropriate for a portion of your investable assets and designed for higher net worth investors or investors with more complexity within their financial plan.

The Enhanced Income portfolio employs a unique multi-asset-class approach to generating yield.

- Strives to maximize portfolio yield by focusing on income-producing investments exclusively
- Includes diverse and specialized income sources beyond dividends and interest
- Attempts to control risk and avoid overconcentration through disciplined diversification

The Select Reserves portfolio is an actively-managed strategy that flexibly allocates across a diverse group of bond assets.

- Prioritizes capital preservation through active risk management and strives to generate modest total return
- Includes broad bond exposure that has the potential to provide attractive yield, even in low interest rate environments
- Tactically balances the overall portfolio between varying maturities and risk exposures

The Patriot portfolio is a sector rotation strategy dedicated to building wealth by investing in US equities.

- Focuses on capital appreciation and growth from US investments
- Offers active management that attempts to profit from undervalued market sectors
- Uses broad-market exposure to strategically manage risk and provide foundational US equity diversification

The Defined Horizon and Yield Horizon portfolios are innovative, bond-ladder strategies seeking high income and predictable cash flow. Defined Horizon generally uses a combination of high yield and high-quality bond exposures, while Yield Horizon is primarily composed of high yield bond exposure.

- Strives for higher yield, relative to other fixed rate investments
- Invests in shorter-term bonds with the goal of managing default risk and interest rate sensitivity.
- Supports a five-year or short-term investment objective

The Total Value portfolio is an event-driven strategy focused on deeply undervalued, high income generating opportunities.

- Seeks deeply discounted Closed End Funds (CEFs) where the share price is less than the net asset value of the fund holdings
- Strives for maximum total return (income and growth) by identifying asset classes perceived to offer the most return opportunity
- Provides powerful diversification potential due to the specialized investment strategy and focus on high yield, undervalued investments

The Balanced Achiever portfolio is a tactical asset allocation strategy that provides risk management through broad diversification.

- Flexibly allocates within a moderate conservative to moderate aggressive risk profile
- Provides complimentary exposure to strategic or passive investment portfolios
- Offers a high degree of active management including the ability to be defensive in adverse market environments

The Manager Select portfolio includes a selection of actively managed mutual funds that can flexibly allocate across financial markets in search of investment opportunity.

- Offers dual active management including allocation decisions across funds and security selection decisions within each fund
- Includes multiple and distinct professional investment teams that can complement one another and provide powerful diversification
- Adapts investment exposures based on market conditions, but always provides foundational diversification across stocks, bonds, and alternative assets

The Global Growth portfolio is a strategically managed world equity allocation that seeks maximum capital appreciation.

- Provides diversified equity exposure designed to participate in long-term growth from US and foreign economies
- Includes a broad set of equity asset classes spanning large, mid, and small caps as well as developed and emerging markets
- Adapts the allocation using a systematic analysis that attempts to uncover market segments showing the most return potential

Classic Portfolios Series

The Classic Portfolio Series includes the Classic Income portfolio which is designed for moderate conservative investors and the Classic Growth portfolio which is designed for moderate aggressive investors. Both portfolios are composed of traditional investment exposures.

- Focuses on total return (growth and income) through traditional allocation across a reduced number of holdings
- Provides simplified diversification that we believe offers attractive, long-term return potential
- Delivers a cost-effective solution with low turnover, minimal internal fund expenses, and no transaction fees

Variable Annuity Services

We manage a series of portfolios on a fee-based variable annuity platform. Versions of our Core Allocation portfolios and select focused objective portfolios are offered and constructed using the subaccounts made available by the variable annuity platform. This allows for larger tax-

deferrals and it allows you to consolidate variable annuity gains under a single contract. With access to more than 350 subaccounts, all portfolio models are appropriately managed and diversified according to the stated investment objective. The platform charges a monthly flat fee, subaccounts are subject to their internal expenses, and we charge a management fee.

Retirement Plan Services

Our turnkey retirement plan platform provides qualified retirement plan sponsors with a flexible, yet easy solution that includes significant fiduciary protection and powerful investment selections. We generally serve as a 3(38) Investment Fiduciary but may serve in a 3(21) capacity depending on your needs. The key difference between these two types of fiduciaries is whether you engage us as a discretionary manager. As a 3(38) manager, you give us discretionary authority to manage your plan's assets. This means you shift your fiduciary responsibility to us for the selection of your investments. If you hire us as a 3(21) advisor, we will make recommendations, but it is ultimately up to you, as the plan sponsor, to decide whether and how to act. As a 3(21) advisor, we will not have discretion to invest and reinvest your assets without your prior consent. Thus, as a 3(21) advisor, we will share responsibility for the selection of investments.

We offer five professionally-managed portfolio models for plan participants. All five portfolio models are fully diversified and actively managed to maximize potential returns at each risk level. Plan participants are also given the option of constructing their own investment portfolios using a selection of ETFs. Our professionally-managed portfolios are available at no additional expense.

Sub-Advisor Relationships

We have agreements in place to act as a sub-advisor and/or provide sub-advisory services for our various investment solutions available through appropriately registered entities. Under these services, your investment adviser recommends to you an investment in one or more of our portfolios and we will have no direct client relationship with you. You will sign an agreement with your investment adviser where you agree to pay a fee based on a percentage of the assets under management. The investment adviser is responsible for providing you a copy of our ADV 2A Disclosure Brochure and establishing the fee which you pay. We receive a portion of the fee for our advisory services, as agreed upon in the sub-advisory agreement. Your investment adviser will ask you to provide investor objective information which provides your investment adviser with detail about your time horizon, risk tolerance, and long-term goals. Your investment adviser will help you choose the portfolio that meets your investment objectives. We use the investor objective information you provide to confirm the portfolio selected by you and your investment adviser.

When appropriate for your situation, we may also select a third-party manager to act as a sub-advisor for your account. When we do so, we will select a manager whose style and talent best

fits your individual needs and objectives. Your agreement with us gives us the authority to hire or fire these managers on your behalf. Once a subadvisor is selected, we will continue to monitor their performance. In these arrangements, you will typically sign an agreement with them in addition to the advisory agreement you will sign with us.

Financial Planning

We offer a broad range of comprehensive financial planning services which may include tax-related and other non-investment related matters. These engagements may be for one-time, initial planning and/or ongoing planning services. Financial plans and financial planning may include but are not limited to: investment planning; tax concerns; retirement planning; college planning; and, for 401(k) plans, investment due diligence. These services are based on fixed or hourly fees and the final fee structure is documented in the advisory agreement with our clients.

Tax Preparation

We offer tax preparation for personal, trust, and business clients. All tax preparation and planning services are provided by properly qualified and licensed individuals and may be outsourced to independent accounting firms.

Services Limited to Specific Types of Investments

We generally limit investment advice and/or money management to ETFs. However, we may use other securities, e.g., open-end and closed-end mutual funds, to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, your specific financial goals and their implementation depend on your Investment Policy Statement that outlines your current situation (income, tax levels, and risk tolerance levels). This is used in conjunction with gathered investment objective information to construct your plan and help select a portfolio that matches your restrictions, needs, and targets.

You may impose restrictions on investing in certain securities or types of securities in accordance with your values or beliefs. If you choose to impose restrictions on our portfolio management, you should be aware that it could cause your account to underperform compared to similar portfolios that do not apply such restrictions. Accordingly, you may forego opportunities for us to buy certain securities when it might otherwise be advantageous to do so, or you may request us to sell securities when it might otherwise be disadvantageous to do so.

Additionally, if your restrictions prevent us from properly servicing your account or require us to deviate significantly from our standard suite of services, we reserve the right to end our relationship with you.

Assets under Management (AUM)

On February 14, 2018, Advisory Alpha, LLC's total assets under management ("AUM") are \$484,941,409. Discretionary assets under management are \$470,890,113 for 4,720 accounts and non-discretionary assets under management are \$14,051,296 for 59 accounts.

Assets under Advisement (AUA)

On February 14, 2018, Advisory Alpha, LLC's total assets that Advisory Alpha staff provided financial planning, consulting, performance reporting and billing services but not ongoing management and trading authority, including AUM are \$546,128,481.

Item 5: Fees and Compensation

Ongoing Fee Arrangements

Advisory fees are typically based on a percentage of your advisory assets under management and range from .10% to 2.00%. Generally, these asset-based fees are charged for our discretionary investment management services. However, some Investment Advisor Representatives may elect to charge a fixed fee for a combination of investment management, financial planning, and tax preparation services. The applicable fee arrangement applies to individual, institutional, and retirement plan clients as well as subadvisory relationships. You are never charged additional fees to cover the fee sharing agreements associated with our subadvisory relationships. The fees shared will not exceed any limit imposed by any regulatory agency.

Our fees are negotiable depending on your needs and the complexity of your situation. In all cases, the final fee schedule is outlined in the agreement that you sign. When we serve as a subadvisor, you will sign the primary adviser's advisory agreement and you are therefore subject to the provisions set forth in that advisory agreement. Generally, our fees are paid quarterly in arrears, however, in some cases, fees may be paid in advance. If you are billed in advance and you terminate your agreement before the end of the billing period, any unearned fees will be returned to you based upon the provisions set forth in the advisory agreement you signed. If you are billed in arrears, no refund applies. Fees associated with new accounts are pro-rated based on the time invested. When accounts are billed in arrears, fees associated with cash-flows (contributions and withdrawals) are pro-rated based on the timing of the cash flow. You may terminate your agreement with thirty (30) days' written notice. You may also terminate your accounts without penalty within five (5) business days of signing the advisory agreement.

Project-Based Fee Arrangements

Depending on the complexity of your situation and needs, we may enter into a project-based advisory arrangement whereby fees will be assessed on a fixed or hourly basis. Hourly fees are

between \$50 and \$400 per hour while fixed fees are determined on a case by case basis, but generally range from \$1,000 to \$10,000. The fees are negotiable, and the final fee schedule will be outlined in the agreement you sign. Fees are typically paid in arrears upon completion, however, some Investment Advisor Representatives may choose to require up to one-half of the fee (estimated hourly or fixed) payable upon engagement with the balance generally being due upon delivery of the financial plan or completion of the agreed upon services. You may terminate your agreement without penalty within five (5) business days of signing the advisory agreement.

Generally speaking, if a client engages the Firm to provide a financial plan for a fixed fee, once the plan is delivered, the Firm will provide ongoing wealth management for an inclusive fee based on the amount of assets being managed and the complexity of planning issues.

Payment of Advisory Fees

Advisory fees are generally withdrawn directly from your account with your written authorization, including accounts established through a subadvisory arrangement. You may remove this authorization for direct billing of fees at any time by notifying us or your custodian in writing. Advisory fees may also be invoiced (billed directly to you) and paid via check. You may select the billing payment method (direct withdrawal or invoice) of your choice.

Minimum Fee

Some Investment Advisor Representatives of Advisory Alpha, LLC may choose to include a minimum annual fee as a condition for starting and maintaining a relationship. This fee may be implemented or waived at the discretion of the Investment Advisor Representative and will be fully disclosed as part of the advisory agreement presented when establishing the client/advisor relationship.

Clients Are Responsible For Third Party Fees

You are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses that we charge. Please see ITEM 12 of this brochure regarding brokerage practices. If you are working with another investment adviser who is using us as a subadvisor, your primary investment adviser will charge additional fees and expenses. The total fee may be higher than the fees that we charge to our clients not working with a separate investment adviser.

ETFs and mutual funds typically charge their shareholders various transactions and operating expense costs associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee.

Because of differences in distribution and often lower transaction costs, total operating expense ratios for ETFs have been historically less than those for corresponding mutual funds. These separate fees and expenses are disclosed in each fund's prospectus, which is available from the fund or, we can provide it to you upon your request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: you pay one layer of fees to the fund and one layer of advisory fees and expenses to us. Generally speaking, most funds may be purchased directly, without using our services or incurring our advisory fees.

Sub-advisory fees

When we use a third-party manager as a subadvisor, the fee we charge will include our advisory fee and the advisory fee charged by the sub-advisor. We do not retain any portion of the sub-advisory fee but pass it on to the subadvisor. Details of the sub-advisor's fee, which is in addition to our fee, will be disclosed to you in the sub-advisor's disclosure brochure and related investment advisory agreement. You should read both carefully and retain for your records.

Termination of Services

If you terminate your agreement with us, you must notify us in writing or transfer your assets from the custodian. Similarly, if you work with a separate investment adviser and you terminate that relationship, it will terminate our services as well. If you are charged in arrears, we will bill your account for the portion of time that we managed your account and no refund of fee will be necessary. If your Investment Advisor Representative or other adviser bills you in advance and you terminate before the end of a billing period, any unearned fees will be returned to you by us or the other adviser in accordance with the terms of your advisory agreement.

Outside Compensation for the Sale of Securities to Clients

Our advisers may accept compensation for the sale of securities or other investment products, including asset-based sales charges, service fees from the sale of mutual funds, and commissions associated with insurance-based products. This outside compensation is independent of the products and services offered through our firm, will be disclosed to you separately and will be paid through other unaffiliated financial services firms (e.g., a broker dealer, a life insurance company, or an insurance marketing organization).

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

We do not charge performance-based fees or other fees based on a share of capital gains or capital appreciation of your assets.

Item 7: Types of Clients

We generally provide investment advice and/or management supervisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Other Registered Investment Advisers
- Defined Contribution & Defined Benefit Retirement Plans
- Corporate and Institutional Investors

Minimum Account Size

There is no account minimum.

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

Methods of Analysis and Investment Strategies:

We provide a variety of investment strategies designed for a wide range of investors with diverse wealth management objectives. The typical structure of our portfolio offerings is a “fund of funds” approach where we research and manage ETFs and mutual fund holdings, but our strategies may also include individual securities. On an ongoing basis, our Investment Team undertakes an extensive research process that re-evaluates the asset class selection, asset allocation, holding selection, and portfolio rebalancing needs for each investment strategy.

Asset Class Selection – Properly defining and selecting the individual asset classes that are consistent with the objectives of each strategy.

Asset Allocation – Implementing and adapting the asset class weightings as a result of each strategy’s investment research and forecasting processes.

Holding Selection – Selecting, monitoring, and replacing the specific holdings based on a disciplined process directed by the objective of each strategy.

Portfolio Rebalancing – Crafting and deploying an appropriate rebalancing approach based on the intent of each strategy.

Material Risks Involved with Our Investment Strategies:

Asset Class Allocation - The rise and fall of certain asset classes or their underlying securities may not occur according to predicted trends.

Active Management - This process concentrates on factors that are believed to lead to the quality and future success of particular money managers. The risk assumed is that the manager will fail to perform as expected.

Portfolio Rebalancing - Depending on the rebalancing strategy implemented, long-term or short-term trading may be involved. Trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short-term trading generally holds greater risk and you should be aware that there is a material risk of loss using short-term strategies.

Timing Risk - While it is likely that stocks will gain over the next two decades, this may not be the case over the short-term. If you need to protect your principal investment over the short-term, timing is an important risk to consider.

Political Risk - Government decisions may damage the value of your investments. Changes to social security, benefits law, and tax law may impact your financial decisions. Any foreign investments may be impacted by the decision of their local governments.

Foreign Risk - Foreign investments have additional risks relative to domestic investments. This includes currency fluctuations, differences in accounting standards, different market exchanges, potentially less liquidity, etc.

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

Risks of Specific Securities Utilized in Our Strategies Investing in securities such as ETFs and mutual funds involves risk. Seeking to obtain higher rates of return on investments typically entails accepting higher levels of risk. We or your investment adviser will work with you to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy. Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure that your investments will be profitable or no losses will occur in your investment portfolio.

Past performance is one consideration with respect to any investment or investment adviser, but it is not a predictor of future performance.

We or your investment adviser will discuss with you the investment risks of ETFs and mutual funds to determine the investment objectives that will guide your portfolio selection. We will explain and answer any questions you have about these kinds of investments, which present special considerations.

ETFs are a type of security that derive their value from a basket of securities such as stocks, bonds, commodities or indices, and are traded on exchanges during the day like individual stocks. Conversely, traditional mutual funds are priced once a day at the close of the market. The value of your portfolio will fluctuate with the value of its underlying securities. ETFs trade like a stock, and there may be brokerage commissions associated with buying and selling. We primarily invest in passively managed funds which are designed to seek the investment results that generally correspond to the price and yield of an index, however; we may invest in actively managed ETFs and mutual funds. ETFs that are actively managed do not just seek to passively track an index; instead, they seek to achieve a specified investment objective using an active investment strategy.

Equity-based ETFs have a similar risk profile to those of equity mutual funds, while fixed income-based ETFs have a risk profile that is similar to bond mutual funds. You should anticipate that the value of an ETF's shares will decline, in correlation with any decline in the value of its corresponding index. However, an ETF's return may not match the return of the index. Sometimes referred to as "tracking error," expenses and other factors may affect the performance of an ETF so that the ETF's performance does not exactly match the performance of their respective underlying indexes. The ETF may invest in small capitalization, mid-capitalization, emerging markets and international companies. These companies may experience greater price volatility than larger, more established companies.

Exchange-traded notes (ETNs) are issued as senior, unsecured, unsubordinated debt obligations of an underlying bank or other financial institution. They are linked to the performance of an index, underlying security, or commodity. ETNs trade on an exchange and are like ETFs in that regard. However, unlike ETFs, ETNs carry credit risk related to the issuer's ability to pay back the note. While the performance of these securities is linked to the performance of an underlying index, security, or commodity, an investor does not own any underlying assets (which is the case with ETFs). It is, however, relying on the financial institution issuer's promise to make good on the terms of the ETN. This means that the market value of ETNs can be adversely affected by downgrades in the creditworthiness of the underlying issuing financial institution. In the extreme case that the issuer of the ETN goes bankrupt, you may lose your entire investment because ETNs are unsecured debt instruments. In contrast, if an ETF were to suffer bankruptcy or close, you would usually receive cash for the market value of the basket of securities or, in the case of larger positions of \$50,000 or more, you may request to take distribution of the underlying securities.

Commodities may provide protection against inflation and/or the inability of fiat currencies to maintain their store of real value. Commodities may provide imperfect correlations relative to other asset classes and serve to increase diversification for risk-tolerant portfolios. It is also important to understand that commodity ETFs can be significantly affected by commodity

prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

The primary risks to our investors are as follows:

- **Market Risk.** ETFs are largely influenced by the value of the indices they track. As the index value changes in response to news and general economic conditions of domestic, international and commodity/natural resource markets, in general, so will the value of the ETF. This can result in a loss of your initial investment.
- **International Investment Risk.** International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic and political instability in other nations.
- **Emerging Markets Risk.** Investments in emerging markets may be subject to a greater risk of loss than investments in more developed markets. Emerging markets may be more likely to experience inflation risk, political turmoil and rapid changes in economic conditions than more developed markets. Emerging markets often have less consistency in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.
- **Income Risk.** An ETF's income may decline when interest rates fall. This decline can occur because: (1) the ETF must invest in lower-yielding bonds as bonds in its portfolio mature, (2) bonds in the underlying index are substituted, or (3) the ETF otherwise needs to purchase additional bonds.
- **Interest-Rate Risk.** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Liquidity Risk.** Markets can also experience a decline in liquidity which can negatively impact ETF prices and increase the difficulty to sell a position. The ability to purchase or sell large positions of ETF securities, due to possible low trade volume, may take time (i.e. days).
- **Sector-Specific Risk.** The value of investments that are concentrated in industry-specific sectors have additional risks relative to broad market investments. These investments may decline due to changes in the specific industry, such as government regulation or consumer trends.

Item 9: Disciplinary Information

In this section of our brochure, we must inform you of all material facts regarding any legal or disciplinary events that are material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Registered Representatives of Broker-Dealers

Steven Osterink, Sr. is a registered representative of Triad Advisors, Inc. ("Triad") through his affiliation with Schipper & Osterink. Several of our advisers are also registered representatives of various Broker-Dealer firms, such as Triad. You should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. This compensation is typically disclosed in transaction confirmations and/or periodic account statements. Despite these conflicts, we strive to follow the highest ethical standards in performing our investment advisory services. You are not required to implement the plan or products offered through any of our advisers in their capacity as a registered representative of a broker-dealer firm. We do not offer commissionable products and will always seek to act in your best interest. You are in no way required to act on investment recommendations through any of our advisers in their capacity as a registered representative.

Dually Registered as an Investment Adviser Representative

Some of the investment adviser representatives of Advisory Alpha, LLC are licensed as investment adviser representatives with Planners Alliance, LLC. Planners Alliance, LLC and Advisory Alpha, LLC are affiliated firms under common ownership. Additionally, some investment adviser representatives of Advisory Alpha, LLC are licensed as investment adviser representatives with other non-affiliated registered investment advisers. This creates a conflict in that some investment adviser representatives will receive payment for advisory services at varying levels from multiple firms. While this conflict does exist, investment adviser representatives are required to serve their clients in a fiduciary capacity across all registered investment advisory firms with whom they are affiliated and in that regard act in their clients' best interest in this capacity.

Licensed Insurance Agents

Steve Osterink, Jr., CFA®, CFP®, AIF®, Steven Osterink, Sr., and various advisers of our firm are also licensed insurance agents. From time to time, they will offer clients advice or products from those activities. You should be aware that these services pay a commission and involve a conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. We seek to lessen this conflict of interest by disclosing any commissions in advance.

Tax Preparation

Some investment advisor representatives of our firm are also tax consultants or certified public accountants. From time to time, they will offer clients services and advice relative to those activities. You should be aware that these services can incur a fee separate and distinct from those related to the services provided through Advisory Alpha, LLC. As such, a conflict of interest could arise should a client utilize these outside services alongside the investment

advisory services offered through Advisory Alpha, LLC. We seek to lessen this potential conflict of interest by disclosing any fees in advance.

Selection of Other Advisers or Managers and How We are Compensated for Those Selections

Occasionally, we select additional advisers or managers to serve as sub-advisors for specific clients. Please refer to ITEM 4: ADVISORY BUSINESS and ITEM 5: FEES AND COMPENSATION for additional information on our use of third party money managers.

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

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Outside Business Activities, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available, free upon request, to you.

Participation or Interest in Client Transactions

We do not recommend that you buy or sell any security in which our company or one of our related persons has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, our advisers may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for our advisers to buy or sell the same securities before or after recommending the same securities to you resulting in our advisers profiting from the recommendations they provide to you. These transactions create a conflict of interest. We will always document any transactions that could be construed as conflicts of interest, and our advisers will always transact your business before their own when similar securities are being bought or sold. We often group all similar trade orders together into block orders prior to execution. This may offer pricing advantages relative to trading each account individually. In these situations, trade orders for our advisers' personal accounts may be included and executed at the same share prices given to clients.

Item 12: Brokerage Practices

When we act as a sub-advisor for another registered investment adviser, the custodian and brokerage selection is determined by the other registered investment adviser. Generally in sub-advised accounts that we manage, the other investment adviser will use the custody and brokerage services of TD Ameritrade, Fidelity, or Schwab. Our subadvisory services are available on all their platforms and we generally receive benefits that we would not receive if we were not on their platforms. As an example, we participate in the back office and support programs sponsored by these custodians. However, none of them pays us any compensation, nor do we have any affiliation with these firms. The services include, among others, brokerage, custodial, and administrative support, recordkeeping, and related services that are intended to support us in conducting business for your account and in serving your best interests. These programs and services are essential to our service arrangements and capabilities. The availability of the services from these custodians benefits us because we do not have to produce or purchase them separately. While this is a potential conflict of interest, we believe that this is mitigated by the fact that the other investment adviser is solely responsible to choose the custodian or platform to engage our services on your behalf as a sub-advisor and we are not required to generate any specific level of commissions to be on their platform. In all cases, the other investment adviser will provide you with their disclosure brochure describing their brokerage practices.

However, when you engage us directly for our portfolio management services, we generally require that you establish an account at TD Ameritrade Institutional ("TD Ameritrade") or National Financial Services LLC, or Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"), to use their custody, brokerage, and clearing services. As SEC registered broker-dealers and members of FINRA/SIPC, TD Ameritrade and Fidelity are qualified custodians to hold your assets and execute transactions upon our instructions. While we are not affiliated with TD Ameritrade or Fidelity, the majority of our direct clients' accounts are held at TD Ameritrade. We ask that you give us a written direction in our agreement to use one of them as your custodian. Additionally, while we recommend that you use TD Ameritrade or Fidelity as your custodian/broker, you will decide whether to do so and you will open your account with them by entering into a separate account agreement directly with them. We do not open the account for you, although we may assist you with the paperwork in doing so. Even though your account is maintained with them, we will have discretion to use them or other brokers to execute trades for your account as described below.

Factors Used to Select Custodians and/or Broker-Dealers

We seek to use a broker who will hold your assets and execute transactions on terms that, overall, are most beneficial when compared to other available service providers. We consider a wide range of factors, including, but not limited to:

- Combination of transaction execution and asset custody services (generally without a separate fee for custody).
- Capability to execute, clear, and settle trades (buy and sell securities for your account).
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).
- Availability of investment research and tools that assist us in making investment decisions. These include recent news, graphs, charts, historical earnings data, balance sheet data, estimates of future earnings, and other information.
- Quality of services, including additional reports that include gains and losses (both realized and unrealized).
- Competitiveness of the price of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices. We believe TD Ameritrade's and Fidelity's brokerage services are competitive with comparable firms for comparable services.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us").

Your Brokerage and Custody Costs

For our direct clients who have accounts at TD Ameritrade or Fidelity, they do not charge you separately for custody services, but are paid by charging you commissions or other fees on trades that they execute or that settle in your account. We negotiated our commission rates with them on behalf of all our clients and not with respect to any specific client. While these commission rates may be higher than available from other discount and online brokers, we believe that the additional services and investment reports provided are of more value to us and our clients than with the lower priced alternatives that provide fewer services. Therefore, we have TD Ameritrade or Fidelity execute most individual securities trades for your account to minimize your trading costs. We also use TD Ameritrade for most ETF and mutual fund transactions because they provide a wide array of no-load or institutional class mutual fund shares with no transaction costs to our clients. Generally, we have determined that having TD Ameritrade or Fidelity execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above in the section titled, "Factors Used to Select Custodians and/or Broker-Dealers."

Clients Directing Which Broker-Dealer/Custodian to Use

Directing us to use a specific brokerage firm could, in some transactions, result in higher commissions and charges where we might otherwise go directly to a market maker in the

security. However, limiting the number of brokerage firms we regularly work with leads to efficiencies that help us keep our advisory fees lower.

Products and Services Available to Us

We generally receive benefits of investment research and related services because our clients use TD Ameritrade or Fidelity for their brokerage transactions and custodial services. All of these services are research and client account-related and provided by TD Ameritrade or Fidelity on an unsolicited basis. The research services made available may be used to benefit all clients' accounts, as well as our personal and proprietary accounts, which are not tied to a specific account's brokerage activity or commission level achieved. We also do not receive referrals from brokerage firms in exchange for recommending their services to our clients.

We have not and do not intend to enter into any contractual third-party soft-dollar arrangements; for example, where we commit to place a specific level of brokerage commissions with a specific firm and in return the brokerage firm pays for various research-related products or services for us that are generally available for cash purchase.

Aggregating (Block) Trading for Multiple Client Accounts

We may aggregate orders for securities transactions for more than one client based on our trade aggregation and allocation policy. In doing so, we strive to treat you fairly and will not favor one client or proprietary account over another. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is to obtain the same price for each client in any given security, obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately, expedite the placement and processing of trade orders, as well as for our administrative convenience.

We will not aggregate orders for a client having a directed brokerage relationship with a client who does not have a directed brokerage relationship (even within the same broker-dealer). A consequence of not aggregating a client's order with other orders for the same securities is that the client may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will receive the average share price for all transactions in that security in that business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client's part of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a pro rata basis.

Trade Error Policy

We have the responsibility to process orders correctly, promptly, and in your best interest. We have established an error correction policy, to identify and correct any errors as promptly as possible without disadvantaging you or benefiting us in any way.

We have defined a “trade error” as when we have purchased or sold a financial instrument for a client account and that action is determined to have been a mistake and the error results in a financial gain or loss for the client. Examples of errors may include:

- Purchases or sales of an incorrect or unintended ETF or number of ETFs for your account
- Purchases or sales of an ETF for the incorrect or unintended account
- Purchases or sales of an ETF that you did not authorize or that are inconsistent with applicable law or regulations (e.g. prohibited transaction under ERISA)
- Purchase or sale transpositions (where an intended purchase is entered as a sale, or vice versa)
- Trade misallocations

If the error is our responsibility, the transaction will be corrected and we will reimburse you for any loss resulting from an inaccurate or erroneous order. If your account is custodied at TD Ameritrade or Fidelity, we can correct all trade errors through an Error Account with the applicable custodian. When we act as a sub-advisor for another registered investment adviser, the trade error policy of your investment adviser will apply if a trade error occurs. However, if it is our error, we will correct the trade error through our Error Account at your custodian.

If there is a loss due to a trade error that we make, we will correct the mistake at our cost and the error will not be reflected as a loss to your account. If a trade error results in a gain, the gain will be retained by the custodian and given to charitable causes.

Item 13: Reviews of Accounts

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Our Investment Team reviews and may rebalance each account to ensure that the allocation does not drift substantially from the model allocation. Our representatives (or your primary investment adviser who uses us as a subadvisor) review your accounts at least annually. These individuals are the chief advisors and are instructed to review your investments based on your investment policies and risk tolerance levels. All our clients are assigned to these reviewers. All financial planning accounts are reviewed upon financial plan creation and plan delivery by the investment adviser representatives of the firm. For ongoing financial planning engagements, accounts will generally be reviewed annually.

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

Reviews may be triggered by material market, economic, or political events, or, when requested by you, due to changes in your financial situation (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Clients receiving our discretionary investment management services will be delivered reports from the custodian on a monthly or quarterly basis. This is a written report that details your account including transactions, fees and commissions, assets held and asset value.

Clients that enter into a project-based financial planning engagement with us are provided a financial plan or written reporting pertaining to the intent of the financial planning relationship on a one-time basis. After the presentation of the plan, there are no further reports. You may request additional plans or reports for an additional planning fee. Clients that enter into an ongoing financial planning engagement will be provided periodic written updates and reporting based on scope of the planning relationship.

Item 14: Client Referrals and Other Compensation

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

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients.

Compensation to Non - Advisory Personnel for Client Referrals

We do not have arrangements to compensate others to make solicitations on our behalf.

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 adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we 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 we are deemed to have custody, we have 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. The client, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore is 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 us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

Item 16: Investment Discretion

When providing asset management services, we maintain trading authorization over your account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

You may also grant us discretionary authority to establish and/or terminate a relationship with a sub-adviser for purposes of managing the account or a portion of the account. In this situation, you will grant the sub-adviser selected by us with the discretionary authority (at the sole discretion of the sub-adviser without first consulting with you) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the account managed by the sub-adviser.

If your account is managed on a discretionary basis, discretionary authority is granted in writing from you at the beginning of our advisory relationship in the agreement you sign. Also, you will sign an agreement with your custodian which generally includes a limited power of attorney granting the necessary authority to direct and implement the investment and reinvestment of the assets in your account but restricts our ability or the sub-adviser's ability (if applicable) to direct the assets outside of your account. When we provide sub-advisory services, we receive discretionary authority in our sub-advisory agreement with the other investment adviser, and in the paperwork you sign with your investment adviser.

We generally do not have discretionary authority to determine the broker, dealer, or the commission rates paid for your transactions. You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the advisory agreement.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment, and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you, or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

Item 17: Voting Client Securities (Proxy Voting)

We do not vote proxies. Your custodian will forward the proxy solicitation materials directly to you. We recommend that you direct all proxy questions to the issuer of the security.

Item 18: Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.