

**Part 2A of Form ADV: *Firm Brochure***

**TrustCore Financial Services, Inc**

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This brochure provides information about the qualifications and business practices of TrustCore Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (615)377-1177 or LaRue.McIntyre@TrustCore.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TrustCore Financial Services, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106522.

## **Item 2     Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/08/2016, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### **Item 4    Advisory Business**

TrustCore Financial Services, Inc. is a SEC-registered investment adviser with its principal place of business located in Tennessee. TrustCore began conducting business in 1984.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 5% or more of this company)

- Darryl Lynn Edmonds, Mr.
- Mikael Winnie Jacobs, Mr.
- Bobby Weatherford Sinclair, Mr.
- William Craig Reed, Mr.
- TrustCore Financial, Inc.

TrustCore Financial Services, Inc. offers the following advisory services to our clients:

#### **FINANCIAL PLANNING AND INDIVIDUAL PORTFOLIO MANAGEMENT**

TrustCore Financial Services, Inc. provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. A client receives a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

TrustCore Financial Services, Inc. believes the starting point for any client seeking personal financial health is a plan with personal goals quantified, resources outlined, and an initial plan of action specified. We offer comprehensive financial planning, but do not require a client to participate in a comprehensive plan. A client determines the direction and scope of their financial planning through the relationship with their planner. This is done on an individual basis. TrustCore Financial Services, Inc. prepares and provides a client with a financial plan designed to help them achieve their financial goals and investment objectives. The preparation of such a plan may necessitate that the client provide TrustCore Financial Services, Inc. with personal data such as financial status, tax status, family records, budgeting, personal liability, current holdings, estate information and additional financial goals. The financial plan may include any or all of the following as requested and/or directed by a client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, asset allocation comparisons, and risk management.

Should a client choose to implement the recommendations contained in the plan, TrustCore Financial Services, Inc. suggests the client work closely with his/her attorney and accountant.

In conjunction with the financial plan our firm offers Portfolio Management Services to its advisory clients. Portfolio Management Services provide systematic asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop a client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine a client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by a client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once a client's portfolio has been established, Investment Advisor Representatives are responsible for reviewing the portfolio and if necessary, rebalance the portfolio on an annual basis, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company however most recommendation will suggest the use of our affiliated broker dealer and/or insurance agency.

The portfolio may consist of:

- Exchange-traded index funds
- Mutual funds
- Equities
- Options and future contracts
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificate of deposits
- United States governmental securities
- Municipal securities
- Variable life insurance
- Variable annuities
- Warrants
- Interest in partnerships investing in real estate
- Alternative investments.

The investment strategies utilized and portfolios constructed and managed depend on an individual client's investment objectives and goals as provided to the Investment Advisor Representative. Model portfolios and/or margin may be suggested as a part of this strategy. The Investment Advisor Representative will recommend investments based on a client's goals and objectives recognizing, however, for accounts where discretion has not been granted, each client has full discretion on the investments held in the portfolio. The Investment Advisor Representative may periodically rebalance the client's account to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation in nondiscretionary accounts without prior client review and consent.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with a client's stated investment objectives, tolerance for risk, liquidity and suitability.

A client has ready access to their respective Investment Advisor Representative. They are not required to be available for unscheduled or unannounced visits by clients. However, Investment Advisor Representatives are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. However, as registered representatives of TrustCore Investments, Inc. (an affiliated broker dealer) and agents of TrustCore Insurance Agency, Inc. (an affiliated insurance agent) Investment Advisor Representatives' recommendations suggest the use of these affiliates. As a result, commissions or other sales charges may be earned by Investment Advisor Representatives and TrustCore.

### **SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

We also offer advisory management services. Based on a client's individual circumstances and needs, we will suggest selected unaffiliated registered investment advisers. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine a suitable investment adviser(s) for the client, we introduce the selected adviser(s) to the client. The adviser(s) then creates and manages the client's portfolio based on the client's individual needs.

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's needs, we may suggest terminating their contract or contract with a different registered investment adviser and/or program sponsor. This

decision is solely at the discretion of the client.

### **ADVISORY REFERRAL SERVICES**

Some Investment Advisor Representatives of TrustCore Financial Services, Inc. may act as a solicitor on behalf of various independent registered investment advisers. Based on a client's individual circumstances and needs, we will assist the client in determining which independent adviser's portfolio management services are appropriate for that client. Factors considered in making this determination, including account size, risk tolerance, and a client's investment experience, are discussed during our consultation with the client.

These Independent Advisors are solely responsible for their investment advice and services. TrustCore Financial Services, Inc. does not review, nor is it responsible for, the specific advice or services rendered by Independent Advisors. An Independent Advisor will provide clients with a separate disclosure brochure (or part II of their Form ADV) describing its firm, its advisory representatives, its services and its fees.

### **PENSION CONSULTING SERVICES**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

*Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

*Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

*Monitoring of Investment Performance:*

We monitor client investments, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

*Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants

exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2014, we were actively managing approximately \$672,685,000 of clients' assets on a discretionary basis plus \$341,887,525 of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **FINANCIAL PLANNING, INVESTMENT SUPERVISORY SERVICES AND PORTFOLIO MANAGEMENT FEES**

TrustCore Financial Services, Inc. charges an advisory fee on assets under management for both the financial plan and ongoing portfolio management services. Generally the annual fee schedule starts from .5% to 2% and is reduced as the asset total increases. A Client may also pay separate brokerage, transaction, service, and custodial charges in addition to TrustCore Financial Services, Inc.'s advisory fees.

The associated persons of TrustCore Financial Services, Inc. are registered representatives of TrustCore Investments, Inc. and sell various forms of insurance through TrustCore Insurance Agency, Inc. A Client is under no obligation to utilize the services of associated persons in the purchase or sales of securities or insurance products. However, if transactions are conducted through TrustCore Investments, Inc. or TrustCore Insurance Agency, Inc., then commissions may be earned by those persons in addition to any advisory fees charged by TrustCore Financial Services, Inc. Clients may purchase the same securities or insurance products from a broker or insurance agent not affiliated with us.

Fees can be paid in arrears, concurrent, or in advance and are based on the ending value of the assets managed at the end of a particular quarter.

Our annual fees are based upon a percentage of assets under management and generally range from 0.50% to 2.00%. However minimums may apply which would affect these percentages. Advisory fees can be debited from a client's account with written authorization from the client.

The annualized fee will be charged quarterly as a percentage of assets under management, according to the following schedule:

### **Fee Schedule**



	<b>Assets</b>	<b>Annual Percentage</b>
<b>First</b>	\$2,000,000.00	0.50% to 2.00%
<b>Next</b>	\$3,000,000.00	0.50% to 1.50%
<b>Next</b>	\$5,000,000.00	0.50% to 1.25%
<b>Next</b>	\$10,000,000.00	0.50% to 1.00%
<b>Next</b>	\$20,000,000.00	0.50% to 0.75%

**Limited Negotiability of Advisory Fees:** Although TrustCore Financial Services, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Alternatives may include a minimum fee, an hourly or a flat fee for specific client projects. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

### **SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES**

We include assets held at third party money managers in our fee schedule when calculating a client's fee.

Clients are provided with a separate disclosure document which includes disclosures of the fee paid to the third party money manager. This is in addition to TrustCore's fee.

### **ADVISORY REFERRAL SERVICES FEES**

Fees for such referrals are based on the assets held at the advisor and typically range from 0.50% to 1.00% (annual). These fees are negotiated by the client and the Investment Advisor Representative. The advisor managing the assets will include TrustCore's portion into the total quarterly fee charged to the client. They will forward TrustCore's portion.

Clients will receive a separate disclosure document describing the fee paid to us by the other Advisers. Clients should refer to the other Advisers' disclosure document for information regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client relationship may be severed at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, some fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to TrustCore Financial Services, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Distribution fees may be paid to affiliates of TrustCore Financial Services, Inc. and Investment Advisor Representatives. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including our affiliate broker dealer, TrustCore Investments, Inc. These fees may include, but are not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services

rendered.

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

TrustCore Financial Services, Inc does not charge performance-based fees.

## **Item 7 Types of Clients**

TrustCore Financial Services, Inc provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Foundations

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when and how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may

underperform regardless of market movement.

***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to competently invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Third-Party Money Manager Analysis.*** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

1. we believe the securities to be currently undervalued, and/or
2. we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Margin transactions.** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

1. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we expect that the stock will increase substantially before the option expires.
2. A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we expect that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Investor Advisor Representatives of TrustCore Financial Services, Inc. are separately licensed as registered representatives of TrustCore Investments, Inc., an affiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While TrustCore Financial Services, Inc. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Investor Advisor Representatives of our firm, in their individual capacities, are agents for TrustCore Insurance Agency, Inc., an affiliated company. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of our clients.

Clients should be aware that the receipt of additional compensation by TrustCore Financial Services, Inc. and its management persons creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. TrustCore Financial Services, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

1. we disclose to clients the existence of all material conflicts of interest, including the

potential for our firm and our associated persons to earn compensation from advisory clients in addition to our firm's advisory fees;

2. we disclose to clients that they are not obligated to purchase recommended investment products from our associated persons or affiliated companies;
3. we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
4. we require that our associated persons seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
5. we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
6. we educate our associated persons regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As previously disclosed, we recommend the services of various registered investment advisers to its clients. In exchange for this recommendation, we may receive a referral fee from the selected investment adviser.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

TrustCore Financial Services, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

TrustCore Financial Services, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [LaRue.McIntyre@TrustCore.com](mailto:LaRue.McIntyre@TrustCore.com), or by calling us at (615)377-1177.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or associated person of our firm may put his or her own interest above the interest of an advisory client.
2. Associated persons of our firm may not buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no access person may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such persons from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We have established procedures for the maintenance of all required books and records.
6. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.



7. Non-discretionary clients can decline to implement any advice rendered.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of an affiliated broker-dealer and licensed as an insurance agent with an affiliated insurance agency. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

TrustCore Financial Services, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

TrustCore Financial Services, Inc. requires that clients provide us with written authority to determine the broker-dealer to use.

Clients must include any limitations on discretionary authority in a written statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

TrustCore Financial Services, Inc. will use block trading where possible and when advantageous to clients who have granted discretionary authority. This bunching of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow Investor Advisor Representative to execute equity trades in a timelier, more equitable manner, at an average share price. Investment Advisor Representatives will typically aggregate trades among clients whose accounts can be traded at the same time. TrustCore Financial Services, Inc.'s block trading policy and procedures are as follows:

- 1) The Investment Advisor Representative must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 2) The Investment Advisor Representative must reasonably believe that the order

aggregation will benefit, and will enable TrustCore Financial Services, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

3) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

4) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

5) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

6) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

7) TrustCore Financial Services, Inc's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

8) Funds and securities for aggregated orders are clearly identified on TrustCore Financial Services, Inc's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

9) No client or account will be favored over another.

## **Item 13    Review of Accounts**

**REVIEWS:** TrustCore Financial Services, Inc. reviewers are independent contractors. As such, they are responsible for adequately monitoring each of their client's accounts. A complete review with the client is expected to be held at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

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

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is TrustCore Financial Services Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients unless it is of a de minimus value. It is TrustCore Financial Services, Inc.'s policy not to allow our related persons to participate in sales contests that might impact their choice of a product or investment for a client.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send portfolio performance reports directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Because of other relationships in a small amount of accounts, we are deemed to have custody. In these few instances, the accounts are held at a qualified custodian who sends periodic statements to the account holders. These accounts undergo a surprise audit by an independent party on an annual basis.

## **Item 16 Investment Discretion**

A client may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact

us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that is deemed to have custody, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. TrustCore Financial Services, Inc has no additional financial circumstances to report.

TrustCore Financial Services, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

TrustCore Financial Services, Inc. and its affiliates do not solicit or manage assets of plans or programs of government entities.