

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

**TrustCore Financial Services, LLC**

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This brochure provides information about the qualifications and business practices of TrustCore Financial Services, LLC. 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, LLC 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 following is a synopsis of material changes from our previous brochure published in March 2017.

TrustCore Financial Services, LLC is a wholly owned subsidiary of TrustCore, LLC. TrustCore Financial Services, LLC, was previously known and organized as TrustCore Financial Services, Inc., a wholly owned subsidiary of TrustCore Financial, Inc. On December 30, 2017, we filed documents with the state of Tennessee converting our tax status from a corporation to a limited liability company, LLC. Our name officially changed to TrustCore Financial Services, LLC. Additionally, our affiliated firms TrustCore Investments, Inc. and TrustCore Insurance Agency, Inc. filed for similar changes in status on the same day. These companies became TrustCore Investments, LLC and TrustCore Insurance Agency, LLC respectively.

On December 31, 2017, TrustCore Financial, Inc. filed documents with the state of Tennessee converting its tax filing status to a limited liability company, LLC. The name of our holding firm officially changed to TrustCore, LLC on 12/31/2017.

It should be noted there were no changes in managing ownership or executive staff of either the holding firm or any of its subsidiaries as a result of these filings. The changes were only of tax filing status which resulted in a necessary name change.

As previously discussed in our last brochure, TrustCore made the decision to work with Schwab Advisor Services™, a business unit of the Charles Schwab Co. (Schwab) in December 2016. This decision was made effective with a signed agreement on March 1, 2017. As part of this agreement, we expected client accounts held at our affiliated broker-dealer, TrustCore Investments, LLC; then held by National Financial Services LLC, would transition their brokerage and custody relationship to Schwab. This transition was completed in February 2018 and effective February 7, 2018, TrustCore Investments, LLC ended its relationship with National Financial Services, LLC.

Additionally, in February 2017, TrustCore Investments, LLC updated its membership agreement with FINRA to become a limited use broker/dealer. This means transactions for our clients handled by our affiliated broker/dealer, TrustCore Investments, LLC will consist of transactions occurring directly with mutual fund companies or insurance providers offering variable products.

***Details on this relationship are disclosed in Items 12, 14, and 15 of this Form ADV.***

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## **Item 4     Advisory Business**

TrustCore Financial Services, LLC is an SEC-registered investment advisor with its principal place of business located in Tennessee. TrustCore began conducting business in 1982. This registration is reflective of our regulatory status and does not imply a certain level of skill, training or endorsement by the SEC. However, our financial advisors have achieved various levels of certification and training within the advisory industry.

TrustCore Financial Services, LLC is a wholly owned subsidiary of TrustCore, LLC. TrustCore, LLC is a holding firm and has two other wholly owned subsidiaries; they are TrustCore Investments, LLC, an independent broker-dealer, and TrustCore Insurance Agency, Inc., an independent insurance agency.

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

- Mr. Darryl Lynn Edmonds
- Mr. Mikael Winnie Jacobs
- Mr. Bobby Weatherford Sinclair
- Mr. William Craig Reed

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

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

TrustCore Financial Services, LLC uses affiliated Financial Advisor Representatives to provide financial planning and portfolio management services. These affiliated Financial Advisor Representatives are independent contractors. We call attention to the reader that our affiliated Financial Advisor Representatives are counted as employees when reported on Part 1 of Form ADV, as per SEC requirements.

#### **Financial Planning**

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 a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

TrustCore Financial Services, LLC 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, as well as any specific services provided, through the relationship with their Financial Advisor Representative. This is done on an individual basis. TrustCore Financial Services, LLC 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, LLC 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, LLC suggests the client work closely with his/her attorney and accountant for portions of the plan outside the scope of our firm's services and will assist in coordinating this activity at the client's request.

### **Portfolio Management**

Portfolio Management Services are offered to financial planning clients and to clients who want these investment advisory services on a stand-alone basis. Portfolio Management Services provide systematic asset management of client funds based on the individual needs of the client. Through 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, Financial Advisor Representatives are responsible for reviewing the portfolio and if necessary, rebalancing the portfolio, based on the client's individual needs. These reviews are performed at least annually, and typically more frequently.

Portfolios may consist of:

- Exchange-traded funds
- Mutual funds
- Equities
- Options and futures 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 limited 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 Financial Advisor Representative. Model portfolios and/or margin may be suggested as a part of this strategy. The Financial 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 Financial 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 Financial Advisor Representative. They are not required to be available for unscheduled or unannounced visits by clients. However, Financial Advisor Representatives are expected to periodically meet with clients and should be available to respond to client inquiries.

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, LLC (an affiliated broker-dealer) and agents of TrustCore Insurance Agency, Inc. (an affiliated insurance agent), Financial Advisor Representatives' recommendations may suggest the use of these affiliates. As a result, commissions or other sales charges may be earned by Financial Advisor Representatives and affiliated companies of TrustCore Financial Services, LLC.

### **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 advisors. 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 advisor. Clients should refer to the selected registered investment advisor'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 advisor(s) for the client, we introduce the selected advisor(s) to the client. The advisor(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 advisor(s). If we determine that a particular selected registered investment advisor(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 advisor and/or program sponsor. This decision is solely at the discretion of the client.

### **ADVISORY REFERRAL SERVICES**

Financial Advisor Representatives of TrustCore Financial Services, LLC may act as a solicitor on behalf of various independent registered investment advisors. Based on a client's individual circumstances and needs, we will assist the client in determining which independent advisor'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, LLC 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 investment options 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 02/28/2018 we were actively managing approximately \$1,138,159,286 of clients' assets on a discretionary basis plus \$370,790,494 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, LLC charges advisory fees for financial planning, portfolio management or other services. The vast majority of client advisory fees are billed quarterly, but these fees can be a one-time fee, an ongoing flat fee, an hourly fee or a fee based on assets under management. All fees are negotiated between the client and the Financial Advisor Representative. Fees can be paid in arrears, concurrent, or in advance and, where relevant, based on the ending value of the assets managed at the end of a particular quarter. If a client is paying their fee based on assets under management, generally the annual fee schedule starts from 0.5% to 2% and decreases as the asset total increases. Additional factors that may impact fee negotiation include the complexity and scope of services being requested by the client and the experience of the Financial Advisor Representative. Advisory fees can be debited from a client's account with written authorization from the client.



A sample of how the annualized fee will be charged quarterly as a percentage of assets under management follows:

**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, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. As previously stated, 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.

A Client may also pay separate, but customary, brokerage, transaction, service, and custodial charges in addition to TrustCore Financial Services, LLC's advisory fees.

The Financial Advisor Representatives of TrustCore Financial Services, LLC are registered representatives of TrustCore Investments, LLC 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, LLC or TrustCore Insurance Agency, Inc., then commissions, concessions and trails may be earned by those persons in addition to any advisory fees charged by TrustCore Financial Services, LLC. Clients may purchase the same securities or insurance products from a broker or insurance agent not affiliated with us.

## **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**

Currently, we do not receive any fees for referral services; however, should we begin to do so, fees for such referrals are based on the assets held at the advisor and typically range from 0.25% to 1.00% (annual). These fees are negotiated by the client and the Financial 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 advisors. Clients should refer to the other advisors' 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, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus, and may vary for different share classes of the same mutual fund. 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, LLC and Financial Advisor Representatives. If the fund also imposes sales charges, a client may pay an initial (typically for class A shares) or deferred sales charge (typically class B or C shares). 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 advisors, 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, LLC. These fees may include, but are not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager affects 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 advisors 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, LLC 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 and Endowments

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

### METHODS OF ANALYSIS

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

***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. Charting is one example of technical analysis. 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.

***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 vigilant 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. The cost of using margin is set by the broker-dealer of record on your custodial account.

**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 the holder 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 premium 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**

Financial Advisor Representatives of TrustCore Financial Services, LLC are separately licensed as registered representatives of TrustCore Investments, LLC, an affiliated broker-dealer. These individuals, in their separate capacity, can affect securities transactions for which they will receive separate, yet customary compensation including but not limited to, commissions, concessions and trails. 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.

While TrustCore Financial Services, LLC 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.

Financial 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, LLC affiliated Financial Advisor Representatives creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. TrustCore Financial Services, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; 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 advisors to its clients. In exchange for this recommendation, we may, but presently do not, receive a referral fee from the selected investment advisor.

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, LLC 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, LLC'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, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

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

- 1) The Financial 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 Financial Advisor Representative must reasonably believe that the order aggregation will benefit, and will enable TrustCore Financial Services, LLC 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, an 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, LLC'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, LLC'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.

Should a client elect to purchase mutual fund shares through our limited use broker/dealer affiliate, TrustCore Investments, LLC, they should be aware that as a registered securities representative of our affiliated firm, their advisor would receive concessions directly from the mutual fund companies based on the share class of a purchased mutual fund. These concessions may include 12b-1 fees. Mutual fund companies offer a variety of share classes with differing fee schedules. The individual fund prospectuses disclose these fee schedules. This creates an inherent conflict of interest as a registered representative may not elect or may not be able to purchase the cheapest share class for a client. Additionally, cheaper share classes of funds may be available to the client if purchased directly from the mutual fund, through a different broker/dealer or through an investment advisor.

## **The Custodian and Brokers We Use**

TrustCore Financial Services, LLC does not maintain custody of your assets on which we advise (although we may be deemed to have limited custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend our clients use Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and not affiliated Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them

to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### **How We Recommend Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their 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 from Schwab”)

### **Your Custody and Brokerage Costs**

For our clients’ accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to our client accounts were negotiated based on our commitment to maintain \$1 billion of our clients’ assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

## Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

*Services That Benefit You.* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services That May Not Directly Benefit You.* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

*Services That Generally Benefit Only Us.* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

It is our expectation that we will use all of the services provided by Schwab listed above.

### **Item 13    Review of Accounts**

**REVIEWS:** TrustCore Financial Services, LLC reviewers are the independent contractor Financial Advisor Representatives. 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 periodic 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, LLC'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.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services to us is not based on our giving particular investment advice, such as buying particular securities for our clients.

## **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. Under government regulations, we are deemed to have limited custody of your assets if you authorize us to instruct the custodian to deduct our advisory fees directly from your 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 advisory 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 provide portfolio performance reports directly to our clients on a periodic 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**

For client accounts held with our affiliate broker-dealer TrustCore Investments, LLC, 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.

For client accounts held in custody with Schwab, we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

## **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, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

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