

## **Wrap Fee Program Brochure**

### **Form ADV 2A - Appendix 1**

#### **Item 1 - Cover Page**



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This brochure provides information about the qualifications and business practices of Fountain Financial Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (910) 256-8882 or [info@fountainfinancial.net](mailto:info@fountainfinancial.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Fountain Financial Associates, Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Fountain Financial Associates, Inc. also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

#### **Item 2 - Material Changes**

This Wrap Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Wrap Brochure requirements include the annual provision of a Summary of Material Changes (the "Summary") reflecting any material change to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on February 26, 2015. Of course the complete Brochure is available to clients at any time upon request.

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#### ***Item 4 - Services, Fees and Compensation***

##### **General Information**

Fountain Financial Associates, Inc. ("FFA") was formed in 1998, (registered as an investment adviser in 2015), and provides financial planning, portfolio management, and general consulting services to its clients. Such services may be offered through the "Fountain Wrap Program" or the "Program", which has been designed to simplify the payment of management fees and brokerage expenses.

Vinton E. Fountain, III is the principal owner of FFA. Please see ***Brochure Supplements, Exhibit A***, provided separately, for more information on Mr. Fountain and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

##### **Portfolio Management Services**

At the beginning of a client relationship, FFA meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Policy. The Investment Policy will be updated from time to time when requested by the client, or when determined to be necessary or advisable by FFA based on updates to the client's financial or other circumstances.

To implement the client's Investment Policy, FFA will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, FFA will have the authority to supervise and direct the portfolio without prior consultation with the client.

##### **General Fee Information**

Fees paid by clients to participate in the Fountain Wrap Program generally include brokerage expenses (i.e., commissions, ticket charges, etc.) as well as the management fee paid to FFA. Under the all-inclusive billing alternative, FFA will assess one client fee that captures the management, brokerage and administrative portions collectively. Fees are individually negotiated with each client, and range up to an annual rate of no more than 2.25% of assets under management.

Fees paid to FFA are exclusive of and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). Clients will pay certain fees in addition to the fees of the Fountain Wrap Program, such as margin interest, check fees, trade-away fees, odd lot differentials and other similar types of fees, as more fully described in the Brochure, Part 2A. Fountain Wrap Program fees which FFA does not pay to third parties in connection with transaction and execution expenses are retained by FFA. Because of this, FFA may have a disincentive to trade securities in the accounts of clients in the Program.

The client should review all fees charged by funds, FFA and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients participating in the Fountain Wrap Program may pay higher or lower fees than clients purchasing such services separately, depending on the cost of services if provided separately and the level of trading in a particular client's account.

##### **Wrap Program Fee Information**

Fees range up to an annual rate of no more than 2.25% of assets under management.

#### ***Item 5 - Account Requirements and Types of Clients***

FFA serves individuals, high net worth individuals, pension and profit-sharing plans, corporations, and charitable organizations. FFA does not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee. However when Separate Account Managers (each a “Manager”) are utilized, such Managers may impose a minimum portfolio size.

#### ***Item 6 - Portfolio Manager Selection and Evaluation***

The Fountain Wrap Program was designed primarily to simplify for clients the payment of management fees and brokerage expenses. Any Managers selected are selected based on past performance, comparison of performance to similar Managers, third party ratings and FFA’s independent evaluation of the Manager. FFA will rely on the Manager’s representation of its performance history. Some Managers engage a third party to verify the accuracy of performance claims, while others do not. Thus, performance information relating to Managers may not be calculated on a uniform and consistent basis.

Most often, FFA will select the securities in the client portfolios. Managers are generally used to target a particular area of the market, or avail the portfolio of the particular expertise of a given Manager. Therefore, FFA is the primary Manager under the Fountain Wrap Program. Please see Form ADV Part 2A for more information on FFA.

#### ***Item 7 - Client Information Provided to Portfolio Managers***

As described above, FFA recommends or selects Managers as it deems appropriate for the client. These Managers are made available through the Managed Account Solutions platform, sponsored by Envestnet Asset Management, Inc. (“Envestnet”). Envestnet and FFA are not affiliated. FFA will gather information necessary to decide which Manager(s) may be suitable to recommend to the client, and may discuss such Managers with the client. However the Managers are generally not provided with specific information regarding clients.

#### ***Item 8 - Client Contact with Portfolio Managers***

Clients generally do not have contact with the Managers. FFA will provide initial and ongoing communication with the clients regarding selected Managers, and will assist clients in understanding the management style and other information regarding the Managers.

#### ***Item 9 - Additional Information***

Neither FFA nor its Management Persons have any disciplinary disclosure required. Please see ADV Part 2A for more information in the following areas: ***Item 10 - Other Financial Industry Activities and Affiliations, Item 11 - Code of Ethics, Item 13 - Review of Accounts, Item 14 - Client Referrals and Other Compensation, and Item 18 - Financial Information.***