

**Item 1 - Cover Page**

**Forthright Wealth Management, LLC  
CRD# 220515**

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**April 20, 2015**

**Brochure**

This brochure provides information about the qualifications and business practices of Forthright Wealth Management, LLC (“Forthright”). If you have any questions about the contents of this brochure, please contact us at 404-578-8920 or [shellymjohnston@gmail.com](mailto:shellymjohnston@gmail.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Forthright Wealth Management, LLC 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 Forthright also is available on the SEC’s website at **[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

## **Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. This is the initial Brochure of Forthright Wealth Management, LLC, and it is prepared according to the SEC's requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We will further provide you with a new Brochure as necessary based on changes, new information, or at your request, at any time, without charge.

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## **Item 4 - Advisory Business**

### General Information

Forthright Wealth Management, LLC was formed in 2015, and provides portfolio management services to its clients. At the outset of each client relationship, Forthright spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, Forthright generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments Forthright will make or recommend on behalf of the client in order to meet those goals. The Financial Profile and the Investment Plan are discussed regularly with each client, but are not necessarily written documents.

### Financial Planning

Forthright offers financial planning services to those clients in need of such service in conjunction with Portfolio Management services. Forthright's financial planning services normally addresses areas such as general cash flow planning, retirement planning, insurance analysis, corporate succession and education planning. The goal of this service is to assess the financial circumstances of the client in order to more effectively develop the client's Investment Plan. Financial Planning is typically not offered as a stand-alone service or for a separate fee, but is more often provided in conjunction with the management of the portfolio.

### Portfolio Management

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

To implement the client's Investment Plan, Forthright will manage the client's investment portfolio on a discretionary or a non-discretionary basis, as determined by the client. As a discretionary investment adviser, Forthright will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on Forthright in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client

investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Forthright.

#### Separate Account Managers

When appropriate and in accordance with the Investment Plan for a client, Forthright may utilize one or more Separate Account Managers, each a “Manager.” Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. Forthright will usually select the Manager(s) it deems most appropriate for the client. Factors that Forthright considers in recommending/selecting Managers generally includes the client’s stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, Forthright retains the authority to terminate the Manager’s relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by Forthright.

In any case, with respect to assets managed by a Manager, Forthright’s role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

#### Principal Owners

Currently, Shelly M. Johnston is the principal owner of Forthright. Please see Appendix A for more information on this principal owner and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

#### Type and Value of Assets Currently Managed

Forthright is a newly formed Registered Investment Advisory firm and does not currently have any assets under management.

### **Item 5 - Fees and Compensation**

#### General Fee Information

Fees paid to Forthright are exclusive of all custodial and transaction costs paid to the client’s custodian, brokers or other third party consultants. Please see Item 12 for additional information. Fees paid to Forthright are also separate 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). The client should review all fees charged by funds, brokers, Forthright and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Portfolio Management Fees

The annual fee for client accounts is between 0.75% and 1.25% of assets under management. The minimum annual fee for any household is \$2,500. Forthright may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Forthright deems it appropriate under the circumstances.

Fees are generally payable quarterly, in advance. Fees are prorated for cash flows exceeding \$100,000. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either Forthright or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Forthright from the client will be invoiced or deducted from the client's account prior to termination.

#### Separate Account Manager Fees

When one or more Managers are utilized, the Manager(s)' fees will be separate from and in addition to Forthright's fee.

Stand-Alone Financial Planning Fees. Fees for stand-alone financial planning are negotiated at the time of the engagement for such services, and are normally based on an hourly or fixed fee basis.

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

Forthright does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Forthright has no performance-based fee accounts, it has no side-by-side management.

### **Item 7 - Types of Clients**

Forthright serves individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. Forthright does not generally impose a minimum portfolio value. The annual minimum fee charged is \$2,500. Under certain circumstances and in its sole discretion, Forthright may negotiate such minimums.

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

#### Methods of Analysis

In accordance with the Investment Policy, Forthright will primarily invest in mutual funds, ETFs, common stocks and individual bonds, and may recommend or select Separate Account Managers as appropriate.

Mutual funds and ETFs and Separate Account Managers are generally evaluated and selected based upon a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund family, overall ratings for risk and returns, and other factors.

In selecting individual stocks for an account, Forthright generally applies traditional fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Forthright will incorporate other methods of analysis, such as technical analysis, which involves studying past price patterns and trends in the financial markets to predict the duration of the overall market and specific stocks.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. Forthright will generally

evaluate and select individual bonds or bond funds based on a number of factors, including, without limitation, rating, yield, and duration.

### Investment Strategies

Forthright's strategic approach is to invest each portfolio in accordance with the Investment Policy that has been developed specifically for each client. Forthright focuses on long-term investing, in which securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Forthright's clients may choose to utilize margin transactions.* A margin transaction is a securities transaction in which an investor borrows money to purchase a security, and the security serves as collateral on the loan.

### Risk of Loss

While Forthright seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While Forthright manages client investment portfolios, or recommends one or more Managers, based on Forthright's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Forthright or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Forthright's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, Forthright or a Manager may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* Forthright and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* Forthright and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks

(risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* Forthright and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Forthright or the integrity of Forthright's management. Forthright has no disciplinary events to report.

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

Neither Forthright nor its management person has any other financial industry activities or affiliations to report.

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

### Code of Ethics and Personal Trading

Forthright has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Forthright's Code has several goals. First, the Code is designed to assist Forthright in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Forthright owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Forthright's associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Forthright's associated persons (managers, officers and employees). Under the Code's Professional Standards, Forthright expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Forthright's associated persons are not to take inappropriate advantage of their positions in relation to Forthright clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Forthright's associated persons may invest in the same securities recommended to clients. Under its Code, Forthright has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

### Participation or Interest in Client Transactions



Because associated persons may invest in the same securities as those purchased in client accounts, Forthright has established a policy requiring its associated persons to pre-clear transactions in these securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflict of interest that may present itself in these situations. Certain securities, such as CD's, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, Forthright's goal is to place client interests first.

Consistent with the foregoing, Forthright maintains policies regarding participation in initial public offerings (IPOs) in order to comply with applicable laws and avoid conflicts with client transactions. If a Forthright associated person wishes to participate in an IPO, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Forthright's written policy.

## **Item 12 - Brokerage Practices**

### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Forthright seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Forthright may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Forthright's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Forthright participates in the service program of Raymond James Financial, Inc. ("Raymond James"). While there is no direct link between the investment advice Forthright provides and participation in the Raymond James program, Forthright receives certain economic benefits from the Raymond James program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of Forthright's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of Forthright's accounts, including accounts not held at Raymond James. Raymond James may also make available to Forthright other services intended to help Forthright manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Raymond James may make available, arrange and/or pay for these types of services to be rendered to Forthright by independent third parties. Raymond James may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to Forthright, and/or Raymond James may pay for travel expenses relating to participation in such training. Finally, participation in the Raymond James program provides Forthright with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the Raymond James program do not necessarily depend upon the proportion of transactions directed to Raymond James. The benefits are received by Forthright, in part because of commission revenue generated for Raymond James by Forthright's clients. This means that the investment activity in client accounts is beneficial to Forthright, because Raymond James does

not assess a fee to Forthright for these services. This creates an incentive for Forthright to continue to recommend Raymond James to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, Forthright believes that Raymond James provides an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platform offered by Raymond James.

#### Directed Brokerage

Clients may direct Forthright to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that Forthright has with Raymond James is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Forthright to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Forthright that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

Forthright typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, Forthright may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities at the same time. If such an aggregated trade is not completely filled, Forthright will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Forthright or its officers, directors, or employees will be excluded first.

### **Item 13 - Review of Accounts**

Managed portfolios are reviewed periodically, as needed, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Forthright. These factors may include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Forthright's portfolio managers are responsible for reviewing accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees

paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Forthright will provide additional written reports as needed or requested by the client.

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

As noted above, Forthright may receive some benefits from Raymond James based on the amount of client assets held at Raymond James. Please see Item 12 for more information. However, neither Raymond James nor any other party is paid to refer clients to Forthright.

#### **Item 15 - Custody**

Raymond James is the custodian of nearly all client accounts at Forthright. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Forthright of any questions or concerns. Clients are also asked to promptly notify Forthright if the custodian fails to provide statements on each account held.

From time to time and in accordance with Forthright's agreement with clients, Forthright will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

#### **Item 16 - Investment Discretion**

As described in Item 4, Forthright will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving Forthright the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. Forthright then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Forthright and the requirements of the client's custodian.

For *non-discretionary accounts*, the client also generally executes an LPOA, which allows Forthright to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Forthright and the client, Forthright does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Forthright's agreement with the client and the requirements of the client's custodian.

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

As a policy and in accordance with Forthright's client agreement, Forthright does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Forthright with questions relating to proxy procedures and proposals; however, Forthright generally does not research particular proxy proposals.

#### **Item 18 - Financial Information**

Forthright does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.