

Item 1 – Cover Page

Firm Brochure
(Part 2A of Form ADV)

Fountainhead AM, LLC

10 Independence Blvd., Suite 120
Warren, NJ 07059
(732) 346-1900

www.fountainheadam.com

March 24, 2020

This brochure provides information about the qualifications and business practices of Fountainhead AM, LLC. If you have any questions about the contents of this brochure, please contact Robert Klotz at: (732) 346-1900 or by email at: robert@fountainhead-advisors.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "**SEC**"), or by any state securities authority. Additional information about the firm is available on the SEC's website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 - Material Changes

Since filing our annual updating amendment in March of 2019, we have made the following material changes to this Brochure:

We have formed a new related advisor, Fountainhead Retirement Services, LLC ("FRS"). The controlling Managers of FRS are also managers and members of Fountainhead AM ("FAM") and its affiliate Fountainhead Capital Management ("FCM"), and they divide their time among the entities. The members generally devote most of their time to FAM and FCM, though this could shift as FRS develops more extensive operations. FRS provides non-fiduciary advisory services to ERISA and other retirement plan sponsors, but not to individual plan participants. FRS does not provide 3(21) or 3(38) investment management services to the sponsors or the plans; these services, if needed, are provided by an unaffiliated adviser selected by the plan sponsor. FRS and FCM will cross-refer clients, where the firms believe it to be appropriate. We expect FRS will routinely refer individual Plan participants to FCM. FAM or FCM may also refer corporate entities to FRS. Additional information about this relationship appears in Item 10 and Item 14 of this Brochure.

As part of a corporate incentive plan, we have made available up to 25% of FAM's equity to other investment advisors. As of the date of this Brochure, that equity has not vested. Should the incentive equity vest, FAM's controlling management/ownership group of Joseph Halpern, Mark Rock and Scott Silver would go from collectively owning 94.5% of FAM to owning 70.875% of FAM. Advisors who are granted incentive equity in FAM have a financial incentive to use us for asset management. This incentive creates a conflict of interest for those advisors and makes it more difficult for them to make an objective assessment of how well FAM is meeting its end clients' needs. The advisors could be more likely to continue to use FAM's services to ensure they receive equity vests or related profit sharing, rather than because FAM is the best choice for clients.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 - Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 - Performance-Based Fees and Side-by-Side Management	9
Item 7 - Types of Clients	9
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9 - Disciplinary Information	15
Item 10 - Other Financial Industry Activities and Affiliations	15
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12 - Brokerage Practices	17
Item 13 - Review of Accounts	20
Item 14 - Client Referrals and Other Compensation	20
Item 15 - Custody	22
Item 16 - Investment Discretion	22
Item 17 - Voting Client Securities	22
Item 18 - Financial Information	23

Item 4 – Advisory Business

Fountainhead AM, LLC ("FAM," "firm," "we," "our," "us,") is an investment management firm founded in May 2017 that provides both discretionary and non-discretionary investment sub-advisory services to select independent and affiliated registered investment advisors (each an "**Advisor**").

The firm is affiliated with Fountainhead Capital Management, LLC, ("FCM") an SEC-registered investment advisor, and is principally owned by Joseph Halpern, Marc Rock, and Scott Silver. The firm has set aside 25% of the firm's equity as Class B units to provide incentive compensation to advisors who join our platform. The Class B units have not yet vested. Should the incentive equity fully vest, Joseph Halpern, Mark Rock and Scott Silver would go from collectively owning 94.5% of FAM to owning 70.875%. Additional information about financial services affiliations and the equity compensation appears in Item 10.

Services

FAM offers investment advisory services on a discretionary basis, as well as back-office support solutions, to Advisors through its managed model program (the "**Program**") and its investment platform ("**Platform**"). The Program employs a variety of securities (collectively, the "**Investments**") in its Program, primarily exchange-listed securities, such as stocks and ETFs, as well as open-end mutual funds and fixed-income securities. Other securities may be selected for the models in the Firm's discretion. The Program and the related Platform are designed for Advisors seeking to gain efficiencies by allowing them to focus on primary policy and risk allocation decisions, while delegating the investment selection, portfolio construction, and implementation decisions to FAM.

Where FAM is acting as a sub-advisor to an Advisor, the Advisor may allocate some or all of its clients' assets to FAM. Customarily, the Advisor retains the responsibility for the relationship with its client, and determines the initial and ongoing investment, risk tolerance, and suitability requirements of its client. The Advisor provides this information to FAM when establishing its clients account(s) on the FAM Platform. The Advisor typically provides ongoing oversight of the allocations to FAM to confirm that the allocations continue to be consistent with the end client's investment needs and objectives. In the ordinary course of business, FAM does not interact directly with the Advisor's end client or otherwise update end-client information except as provided through Advisor.

Once an Advisor allocates its clients' assets to FAM, FAM may select, change or re-allocate such client's assets among the offered models, subject to guidance provided to FAM by Advisor. FAM will manage or effect purchases, sales, or other transactions for individual accounts (each, an "Account") allocated to FAM by Advisor. In managing the Account, FAM is specifically permitted to retain all or part of the existing investments or to liquidate such investments, in FAM's discretion. FAM's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Because the Investments used in the Program may change from time to time, clients and prospective clients should consult directly with their Advisor to discuss the current Investments being offered.

Account Supervision

Fountainhead AM, LLC
Form ADV Part 2A

FAM will supervise the Accounts in accordance with a client's stated objectives (e.g., maximum capital appreciation, growth, income, or growth and income), risk tolerance, as well as tax considerations. Because some types of investments involve additional degrees of risk, they will be selected only when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Account Customization and Investment Restrictions

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. All transactions effected for an Account will be deemed to be suitable for an Advisor's client in light of the stated investment objectives and guidelines, unless written notice to the contrary is received by FAM within ten (10) business days following a client's receipt of the custodian's statement reflecting such transactions.

In allocating their clients' assets to FAM, Advisors agree to contact their clients at least annually to determine whether there have been any changes in such clients' financial situations or investment objectives and whether such clients wish to impose investment restrictions or modify existing restrictions or otherwise amend their investment guidelines. Advisors agree to promptly notify FAM of any changes.

FAM does not guarantee the future performance of any Accounts, any specific level of performance, the success of any investment decision or strategy, or the success of FAM's recommendations in the Accounts. The investment and other decisions made by FAM for the Accounts are subject to various market, currency, economic, political and business risks, and may result in investment decisions that will not be profitable.

Non-Discretionary Services

FAM may offer investment advice on a non-discretionary basis through a non-discretionary investment program in which all investment decisions are made by the Advisor.

Advisors may use the FAM platform to assist with their own review and evaluation of the Advisor's client's investment objectives. Advisors may then receive recommended investment portfolios from FAM that the Advisor is free to implement, adjust, or simply provide to Advisor's client for subsequent consideration by client. As requested by Advisor, FAM will also provide an asset allocation analysis. As the Advisor obtains revised information from the client, Advisor may use the FAM platform to generate revised investment recommendations. Advisor may also use the FAM platform to obtain recommendations for rebalancing of the client's asset allocation. In providing non-discretionary services, FAM has no responsibility for executing transactions or implementing advice.

Written Agreement

FAM will enter into a written Sub-Advisory Agreement (the "**Agreement**") with each Advisor, which describes the nature and extent of FAM's services, the terms and conditions applicable to such services, and the fees to be charged. Advisors are responsible for ensuring that their own client agreements provide for Advisor's discretionary allocation to sub-advisors such as FAM and for assessment of the fees due to FAM.

Fountainhead AM, LLC
Form ADV Part 2A

The services and fees described in this Brochure may not all be applicable to an Advisor's specific Agreement. In the event of any difference between the information in this Brochure and the Agreement, the Agreement will control. Advisors will receive a copy of this Brochure prior to the execution of the Agreement. When an Advisor signs an Agreement with FAM, the Advisor's relationship is serviced by a registered investment adviser representative of FAM.

The Agreement may be canceled by either party at any time, for any reason, upon receipt of thirty (30) days prior written notice. If the Agreement is terminated, the Advisor will receive a prorated refund of any pre-paid fee, based upon the number of days remaining in the billing period after the termination date. The Advisor are not charged a liquidation fee by FAM if securities are to be delivered in-kind. The custodian may charge a liquidation fee.

Use of Affiliated Funds

We anticipate that our models will make some use of mutual funds advised or sub-advised by Exceed Advisory, LLC. See information concerning the conflicts this presents, as well as the related fees, in Items 5 and 10, below.

Wrap Accounts

FAM does not offer wrap accounts. A wrap account is structured such that a client pays a single fee, or single percentage fee which covers both investment advisory services and brokerage costs.

Disclosure Statement

A soft copy of FAM's Brochure will be provided to each Advisor prior to, or contemporaneously with, the execution of the Agreement. The Advisor is responsible for delivering a copy to its own client.

Assets Under Management

As of February 11, 2020, FAM had approximately \$257.3 million in discretionary assets under management.

Item 5 – Fees and Compensation

Fees are calculated on a per Account basis and will be based on the services an Advisor has selected FAM to perform, which will be outlined in the Agreement.

Fees for Investment Services

Advisors participating in the Program pay a program fee (a "**Program Fee**") to FAM. The Program Fee is negotiable and depends on the services selected by Advisor. The total Program Fee is no more than 100 basis points annually and is assessed against the Advisor's client assets allocated to FAM. The Program Fee includes the following components:

1. Investment management fee: 20 – 75 basis points annually, charged on all assets allocated to FAM's investment management
2. Reporting and administrative fee: 5 – 25 basis points annually, charged on all assets held on the Platform

Fountainhead AM, LLC
Form ADV Part 2A

Where FAM is providing consulting services or non-discretionary advice to an Advisor, it may charge a fixed fee, which is negotiable at the time of engagement and will be described in the Agreement.

As part of its back-office platform services, FAM processes fee billing on behalf of Advisors for those clients of Advisor who have authorized direct fee deduction from their custodial accounts. The Program Fee is due and payable by Advisor to FAM within 15 days after Advisor's fees are collected from client accounts, or 30 days after the end of the Advisor's client's billing period, whichever is earlier. Typically, the Program Fee is charged on a quarterly basis in advance and prorated to the end of the fee billing period upon inception of the account. Advisors have the option of billing their clients on a monthly, quarterly or rolling three-month basis as well as the option to bill in advance or arrears. The fee billing arrangement will be described in the Agreement. FAM's billing systems allow for flat fees, tiered fees, billing in advanced or arrears, bill calculation on end of period or average daily balances and for the direct debit of fees from the client accounts. The billing system also allows for monthly or quarterly billing and the quarterly billing can be done on calendar quarter-ends or rolling three-month periods.

The Agreement may authorize FAM to facilitate simultaneous deduction and payment of both the Program Fee and fees charged by the Advisor from an Account. FAM provides this services if included in the Agreement and after obtaining any necessary authorizations. Alternatively, the Advisor may choose to independently deduct fees from an Account with the client's permission. Clients should refer to their Advisors' disclosure brochure and fee schedule in their investment management agreement with their Advisor for a description of their Advisors' fees for specific accounts.

Fees for Affiliated Funds

Where their use would be appropriate to better meet the objectives of our models, we will employ funds advised or sub-advised by Exceed Advisory LLC ("Exceed"). Exceed is an affiliate of FAM through common ownership by our Chief Investment Officer, Joseph Halpern, and by one of our Members, Marc Rock, as described in Item 10. A conflict of interest exists when FAM selects Exceed-advised funds ("Affiliated Funds"), since Exceed is entitled to management fees from the Affiliated Funds based on their average daily net asset value. To the extent selection of the Affiliated Funds by FAM increases the Affiliated Funds' aggregate net asset values, this could generate additional revenue for Exceed and its owners. An increased asset base also could lower overall trading and management costs for the Affiliated Funds and increase the likelihood of Exceed's collecting its own management fees (see below concerning the contractual cap on fees). This creates a conflict of interest which we mitigate by limiting use of the Affiliated Funds in FAM's total allocation; and by assuring that use of the Funds supports the investment objectives and strategies of the models. Advisors may direct us not to use any Affiliated Funds in their client Accounts. As of 12/31/2019, Fountainhead clients made up approximately 5% of the assets held in the Affiliated Funds.

The different Affiliated Funds' expenses, including management fees, are contractually capped at amounts between 1.2% and 1.5% of Affiliated Fund assets. Those contracts expire October 31, 2020, and may be extended. The actual expenses for the Institutional Class shares were

2.03% in the last fiscal year. Please refer to the Affiliated Funds' prospectuses for full details regarding the Affiliated Funds' services and fees.

The Program Fee is assessed on all assets, including the Affiliated Funds.

Other Fees

Certain fees are not included in the Program Fee. The most significant of these is the fee charged by an Advisor. Advisors' clients will incur brokerage, transaction, and custodial fees. See Item 12 for additional information about brokerage charges and expenses.

The Program Fees do NOT include brokerage, clearing and custody transaction fees for client's assets held in the Program. These fees are separate and can vary depending on which custodian a client uses and will be disclosed separately to the client in the custodian's clearing and custodial paperwork. It is typically the Advisor's responsibility to clearly communicate to a client all fees charged for servicing such client's account.

The Program Fees do NOT include mutual fund, ETF, and alternative investments fees for investing the pool of assets in the respective investment vehicles. Please see the prospectus or related disclosure document for information regarding these fees. Advisors' clients may also be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services elected by clients. Accounts may be subject to transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds. Similarly, the Program Fee does not cover certain non-brokerage-related fees such as individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs). Some mutual funds assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.

Valuation

The value of the account and the value of any asset in the account for billing purposes will be the value reflected on the custodian's statements (or on the custodian's internal system, for valuations other than as of the close of a monthly or quarterly billing period). In the event the custodian does not value an asset, FAM will not assess Program fees or Advisor fees on that asset unless FAM establishes that the failure to value is an error or oversight and unless FAM obtains independent documentation of the value from a reliable source, such as the custodian or an independent pricing vendor.

Advisors retain the discretionary authority to allocate additional assets to FAM or to terminate FAM's advisory services with respect to Advisor's clients. Advisors' clients may make additions to or withdrawals from their Accounts at any time. FAM retains the right to terminate the Account if it falls below the minimum account size stated in this Brochure. Assets deposited into the Account after the beginning of a billing period will be charged a prorated Program Fee based upon the number of days remaining in the quarter, and such prorated Program Fee shall be payable upon deposit of such assets. No Program Fee adjustments will be made for

partial withdrawals or for account appreciation or depreciation within a billing period. A prorated refund of pre-paid Program Fees charged will be made if the account is closed within a billing period.

The cost of investment advisory services and back-office support services provided by FAM through the Program may be more or less than the cost of purchasing similar services separately or from other advisors. Among the factors impacting the relative cost of the program to a particular Advisor client are the size of the account, the type of account (i.e., equity or fixed income focused), the size of the assets devoted to a particular strategy and/or the managers selected. Clients may receive comparable services from other sources for fees that are lower or higher than those charged by FAM.

Other Fee Issues

FAM will not provide services as a sponsor of a wrap fee program. However, Advisors who utilize the Program may choose to assess a single fee to their clients that is inclusive of all Program Fees, their own advisory fee and all custodial fees. By doing so, the Advisor may be considered a wrap fee sponsor. Please review Advisor disclosure documents for further information on their billing practices.

Account Minimum

A minimum of \$100,000.00 of assets under management on a household level is required in order to participate in the Program. This household level size may be negotiable under certain circumstances. In those cases, FAM typically requires a minimum per account Program Fee of up to \$150 per year. FAM may group certain related Program accounts for the purposes of achieving the minimum account size and determining the annualized fee. Discounts, not generally available to Advisors and clients, may be offered to family members and friends of associated persons of our firm. Advisors working with FAM may also require a minimum asset level or minimum annual fee for investment advisory services that differs from FAM's.

Negotiability of Fees

Although FAM has established fee schedules, we retain the discretion to negotiate alternative fees on an Advisor-by-Advisor and/or client-by-client basis.

Item 6 - Performance-Based Fees and Side-by-Side Management

Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client. FAM does not provide any services for performance-based fees.

Item 7 - Types of Clients

FAM provides investment management services to third party registered investment advisors (Advisors).

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

Methods of Analysis and Investment Strategy

For Accounts invested directly by FAM, the firm primarily utilizes mutual funds and ETFs, but may also incorporate individual equity or fixed income securities. When selecting funds or ETFs, FAM considers a variety of factors, including the fund manager's tenure, investment strategy, and/or overall career performance. For individual securities, other factors will apply; see the information on stocks and fixed income securities below.

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. In general, mutual funds and ETFs are subject to risks related to the manager's ability to achieve the strategy's objective and market conditions affecting the assets held by the fund.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("**NAV**"). The per-share NAV of a mutual fund is calculated at the end of each business day.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Risk of Loss

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). Stock markets and bond markets fluctuate substantially over time. Different types of investments tend to shift in and out of favor depending on market, economic, and other forces. In addition, performance of any investment is not guaranteed and a client's account may experience loss of assets due to a variety of reasons including market movements and global and domestic events affecting the economy. As a result, there is a risk of loss of the assets FAM manages that may be out of FAM's control. FAM will do its very best in the management of assets; however, FAM cannot guarantee any level of performance or that a client will not experience a loss of its account assets. Depending upon the program the Advisor chooses and the securities used, a client's portfolio may be subject to the risks described below.

General Risks

- Management Risk. There is no guarantee that FAM's judgment about the worth and implementation of given strategies, the value of individual securities, and the state of the financial markets is sound and that investments through the Program will be profitable.
- Deflation. Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market value of an investment.
- Inflation. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of an account and distributions can decline.
- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. Conceptually, they carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Certain instruments may have no readily available market or third-party pricing. Structured notes usually have a limited secondary market and are often relatively illiquid. Reduced liquidity may have an adverse impact on market price and the ability to sell particular securities when necessary to meet cash needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult to obtain market quotations based on actual trades for the purpose of valuing the security. Clients should invest in structured notes, private securities, and other illiquid (or relatively illiquid) assets

only to the extent they have adequate other liquid assets available to fund current and ongoing cash requirements.

- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Systemic Risk: Risks inherent to the entire market or market segment. Systemic risk is also known as "undiversifiable risk," and affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid.
- Third Party Risk: It is not uncommon for companies to maintain myriad third-party relationships in an effort to reduce costs, increase efficiency and focus more intently on core competencies. However, while businesses seek to gain a competitive and operational advantage through these relationships, they are also exposing themselves to an increasing level of risk. At the same time, however, it is becoming increasingly difficult for businesses to maintain the necessary controls for mitigating the risks associated with these relationships. Failure to manage these risks can expose a business to regulatory action, financial loss, litigation, and reputational damage, and may even impair the institution's ability to establish new or service existing customer relationships.

For those clients choosing to invest in alternative investments, such securities come with additional substantial risks as they are speculative in nature. They may not be registered or regulated under any laws, should be considered illiquid investments, are not freely transferable, may be highly leveraged, may be volatile, and may involve higher fees and expenses than other types of investments. Alternative investments may not be immediately redeemable. Alternative investments such as hedge funds only permit redemptions at specified time periods and in specified advanced notice. As a result, the client may be required to hold alternative investments in its account after termination of this or the Agreement.

Risks Associated with Strategies

In addition to the above general risks, the following risks apply to FAM's investment strategies:

- Asset Allocation. The success of asset allocation depends upon the manager's ability to make decisions that will achieve an account's objectives. Asset categories may not perform as expected due to economic and market influences both foreign and domestic and anticipated returns may not be realized.
- Concentration Risk. This type of risk occurs when a strategy's investments are concentrated in a limited number of securities or specific regions or countries. The value of the account will vary considerably in response to changes in the value of the security or region/country. This may result in increased volatility.

- Counterparty Risk. Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty's bankruptcy or other failure to perform its obligations due to financial difficulties would result in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.
- Hedging. If the hedged investment performs well, there is likely to be a loss of upside potential. If the hedge does not perfectly match the underlying portfolio, there is a risk that results will not be as anticipated. If the investment is underhedged, it may not offer the degree of protection anticipated.
- Foreign/International Market Risk. International investments involve special risks such as fluctuations in currencies, foreign taxation, economic and political risks, and differences in accounting and financial standards. Investments in emerging markets are generally riskier than investments in developed markets.

Risk Associated with Securities

- Absolute Investment Strategies seek to achieve a positive return regardless of the condition of the overall market. These strategies may have returns that perform substantially less well than the overall market depending upon the skill of the portfolio manager.
- Commodities have risk in that they are affected by global supply and demand; domestic and foreign interest rates; political, economic, financial events, or natural disasters; regulatory and exchange position limits; and concentration within a commodity.
- Derivatives. Investments in derivatives, or similar instrument, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that can reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions. In addition, many jurisdictions continue to review practices and regulations relating to the use of derivatives, or similar instruments. Such reviews could make such instruments more costly, limiting the availability of, or otherwise adversely affecting the value or performance of such instrument. We generally achieve alternative investment exposure (which can represent a

significant part of a client's portfolio where we think that's appropriate) through investments in structured notes and investments in alternative strategy mutual funds.

- Exchange Traded Funds may not accurately track their underlying index and may not have liquidity under severe market conditions.
- Exchange Traded Notes are unsecured debt instruments subject to risk by default by the issuing bank (counterparty risk) as well as market risk. Exchange traded notes may fail to track the index they are designed to track as well as being negatively impacted by a decline in the credit rating of the issuer. They may lack liquidity under severe market conditions.
- Fixed Income securities may be affected by interest rate risk as increases or decreases in interest rates occur and also by credit risk in that issuers may not make payment on the securities. Fixed income markets have experienced a prolonged period of historically low interest rates. Because the prices of fixed income securities tend to fall when prevailing interest rates rise, fixed income securities – especially those with longer-term maturities – may drop significantly in value in the event interest rates rise steeply or unexpectedly.
- High Yield Fixed Income (Bond) Securities invest in securities that are considered speculative and are susceptible to default or decline in value due to adverse economic and business developments. These securities often combine some of the risks of the equity markets (business risk, for example), as well as the risks of fixed income securities).
- Mutual Funds are subject to risks related to the manager's ability to achieve the components' objectives and market conditions affecting the components' assets. Each is subject to different levels of risk, based on the types and sizes of its underlying asset class allocations and strategy.
- Options involve leverage and special risk considerations. Use of options entails the potential for significant losses and significantly increased portfolio volatility.
- Sectors may be subject to risk when a substantial portion of assets are devoted to a particular market sector or industry thereby having the potential of greater volatility than with broadly diversified strategies. A market sector or industry may underperform the market as a whole for a variety of reasons.
- Stocks have risk in that their returns and the principal invested in them is not guaranteed and they are subject to changing market conditions. They may decline in price significantly over short or extended periods in relation to overall market movement or due to factors affecting a segment of the market or factors affecting an individual company, such as a poor earnings report. Small stocks are more volatile than large stocks and are subject to significant price fluctuations and may be thinly traded.

Item 9 - Disciplinary Information

FAM is required to disclose any legal or disciplinary events material to a client's evaluation of its advisory business or the integrity of management. FAM has nothing to disclose in response to this Item.

Item 10 - Other Financial Industry Activities and Affiliations

FAM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

FAM is under common control with Fountainhead Capital Management, LLC ("FCM"). FCM will allocate client assets to FAM and the entities will share management, a physical location, and back-office support. Joseph Halpern serves as Chief Investment Officer of both FAM and FCM.

Fountainhead Retirement Services, LLC ("FRS") is also an investment advisor under common control with FAM and FCM. FRS provides non-fiduciary advisory services to ERISA and other retirement plan sponsors. FRS does not provide 3(21) or 3(38) investment management services to the sponsors or the plans; these services, if needed, are provided by an unaffiliated adviser selected by the plan sponsor. FRS also does not provide personalized advice to plan participants, but will refer participants seeking investment advice to FCM. Participants are under no obligation to use FCM's or FAM's services as a result of the referral. FRS is owned 50% by an entity unaffiliated with Fountainhead; the owner of that entity is not involved in the day-to-day management of FRS.

The controlling members of FCM are also members of FAM and there is a conflict of interest when FCM refers clients to FAM. FCM believes that its affiliation with FAM will result in operational efficiencies and competitive asset management services that ultimately benefit both FCM and its clients. Nonetheless, the services available to FCM through FAM may be available for lower cost through other advisors. To mitigate the conflict, FCM discloses the affiliation and allocates client assets to FAM only when FCM believes such allocation is in its clients' best interest.

Joseph Halpern is a principal and member of Exceed Holdings LLC, the parent company of a registered investment adviser to certain mutual funds, Exceed Advisory LLC. Joe is the investment officer of Exceed Advisory, LLC. Marc Rock, Managing Partner of FCM and an owner and manager of FAM, owns a minority interest (less than 5%) in Exceed Holdings LLC. This common ownership creates an inherent conflict of interest for FCM when it chooses to invest assets in Affiliated Funds. Please see Item 5, Fees & Expenses, for more information

Exceed Advisory sub-advises an Exceed Investments LLC co-branded fund advised by Catalyst Capital Advisors ("Catalyst"). FAM does not refer clients to Catalyst but as described above, FAM use Catalyst Exceed-branded Affiliated Funds as appropriate in its models or allocations.

Joseph Halpern, is also a registered representative of an unaffiliated broker-dealer (Chelsea Financial Services, Inc., member FINRA, SIPC). Joe became licensed with the broker-dealer primarily to service legacy assets purchased prior to the client's becoming a client of Fountainhead. These legacy assets are generally limited to annuities and mutual funds held outside of the primary custodian, and some of them pay trailing commissions which Joe receives

personally. Joe is not the advisory representative for these legacy assets and Fountainhead/FAM policies prohibit any of the firm's associates from recommending new investments that pay a commission or trail and from charging advisory fees on assets that pay a trail.

As disclosed in Item 4, we have set aside 25% of FAM's equity for Class B units used to provide incentive compensation to advisors who use our platform. The incentive is structured such that the advisor's equity vests as additional assets are brought under FAM's management. This incentive creates a conflict of interest for those advisors and makes it more difficult for them to make an objective assessment of how well FAM is meeting its end clients' needs. The advisors could be more likely to continue to use FAM's services to ensure they receive additional equity vests or related profit sharing, rather than because FAM is the best choice for clients.

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

FAM employees or related persons may buy or sell securities that clients also own in their accounts. Investment decisions for FAM personnel may not be made at the same time or in the same manner as those made for clients. FAM or a related person of FAM may purchase or sell securities that are recommended to, or purchased or sold for clients. Personal securities transactions by persons identified as access persons with FAM are subject to FAM's Code of Ethics (the "**Code**"). The Code includes various reporting, disclosure and approval requirements, described in the summary below.

FAM designed these requirements to prevent or mitigate actual or potential conflicts of interest with clients. The Code applies not only to transactions by the individual, but also to transactions for accounts in which such person or the person's spouse, minor children or other dependents residing in the same household have an interest. Compliance with the Code is a condition of employment. In accordance with SEC rules relating to recordkeeping by investment advisors, FAM requires prompt reports of all securities transactions identified in the Code as "Reportable Securities" transactions. FAM further requires that all brokerage account relationships be disclosed, that FAM receive duplicate confirmations of transactions and custodial account statements, and annual certifications of compliance with the Code from all access persons. Transactions in U.S. government securities, bankers acceptances, bank certificates of deposit, commercial paper, high quality short-term instruments, including repurchase agreements, index-based futures/options, options/futures on treasury notes and bills or currency options/futures, shares of open-end mutual funds and commodities are excluded from the reporting requirements.

The responsibilities of the CCO include overseeing the regular monitoring and verification of compliance of covered persons with the requirements of the Code, and reporting material violations to FAM's senior management. Covered transactions of the CCO will be approved by another officer (or designee) of FAM. In addition to reporting and recordkeeping requirements, the Code imposes various substantive and procedural restrictions on Reportable Securities transactions. The CCO may recommend to management the imposition of more severe sanctions, including suspension of personal investing privileges, or termination of employment, in the case of certain types of violations.

A copy of the Code can be obtained by contacting us at 732-346-1900 or by email at bob@fountainhead-advisors.com.

Item 12 - Brokerage Practices

FAM requires Advisors' clients to open up one more custodian accounts in the client's own name at a custodian of the client's choice (the "**Custodial Broker**"). For clients in need of brokerage or custodial services, FAM currently recommends TD Ameritrade Institutional ("TD"), a division of TD Ameritrade, Inc., and its affiliate, TD Ameritrade Clearing, Inc. TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc. are FINRA/SIPC members, and SEC-registered broker-dealers. They are unaffiliated with FAM. All TD assets are custodied with TD Ameritrade Clearing, Inc. We participate in TD's Institutional Program, through which TD offers services to independently registered investment advisors. These services include custody of securities, trade execution, and clearance and settlement of transactions.

The Advisor's client may already have a Custodial Broker or may be required to use the Custodial Broker that is specified in the written investment advisory agreement between client and its Advisor. Under that circumstance, the Agreement between FAM and the Advisor will identify the Custodial Broker to be used for trade execution.

Factors Considered in Selecting Broker-Dealer for Client Transactions

We have evaluated TD and believe they generally provide clients with best execution on an overall basis. The factors we consider in recommending TD include our experience with the firm, its reputation, the quality of execution services, and the low commission rates available, among other factors. We are not affiliated with or otherwise related to TD. As discussed below, we are highly reliant on software and other services provided through TD at no or reduced cost.

While we have a reasonable belief that TD is able to obtain best execution for clients, we may seek price improvement through other broker-dealers on an individual transaction basis, especially as our trading volume and assets under management increase. Placing orders with a broker-dealer other than the Custodial Broker may cause the client to incur fees for trading away. Ultimately, we execute transaction in our sole judgement based on our assessment of overall execution quality. We try to aggregate client trades, where we believe doing so will reduce overall costs to clients, but we aggregate only at the custodial level. Accordingly, where an Advisor's clients hold their assets with a Custodial Broker other than TD, that client's orders will not be aggregated. See Aggregation of Orders, below, for more information.

Research and Other Soft Dollar Benefits

FAM has a "soft dollar" arrangement with TD, in which TD agrees to make specific payments or reimbursements on our behalf for research products or trading and execution software. We are not obligated to direct any certain level of commissions to TD, but TD will not make the payments unless we generate enough "commission credits."

Generally, in addition to TD's (or another broker's) ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client

assets, the firm is considered to have a conflict of interest in allocating client brokerage business. By selecting TD to execute client transactions, and thereby generating commission credits available for soft dollar payments, we potentially earn valuable benefits. The transaction compensation charged by TD might not be the lowest compensation we might otherwise be able to negotiate, especially if we made execution decisions on a trade-by-trade basis. In addition, we could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

Our use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), we will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD is reasonable in relation to the value of all the brokerage and research products and services TD provides to us. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by TD for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products to us might charge.

Research products and services we may receive from TD may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) are primarily computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

We may also use some products or services made available by TD that are not only research- or brokerage-related, but that serve our administrative and other purposes as well. In these instances, we make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable to making investment decisions and executing transactions is paid with commission dollars and we bear the cost of the balance. Our interest in making such an allocation differs from clients' interest, in that we have an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that the firm must pay directly.

Mutual Funds and ETFs

TD makes available a number of No-Transaction-Fee funds ("NTF Funds"). NTF Funds are not subject to commissions or other transaction fees assessed by TD but, like all funds, have other fees and expenses that apply to continued investments and which are described in the prospectus. TD earns additional revenue on NTF Funds through its service agreements with these NTF Fund issuers for record-keeping, shareholder services, and other administrative and distribution services. If we select NTF Funds for clients, those purchases will not generate soft-dollar commission credits. When selecting funds for client accounts, we select funds we believe will best serve client needs and which, in our judgment, achieve overall best execution, without regard to whether the fund creates soft-dollar commission credits. The inherent conflicts of interest present in soft-dollar arrangements described above also apply to fund selection.

Brokerage for Client Referrals

We do not recommend brokerage or custodial services in exchange for referrals.

Directed Brokerage

We do not generally permit Advisors or their clients to direct brokerage outside of our recommended custodians. This means that while the client is ultimately responsible for selecting and/or approving the account custodian, we do not typically execute orders based on trade-by-trade instructions from the client. We typically execute orders through the facilities of the selected Custodian Broker, but may execute through other broker-dealers if we believe that will result in the best overall execution.

Because we recommend a specific custodian and then tend to execute investment transactions on a discretionary basis, typically through that custodian, we are effectively requiring that Advisors' clients "direct" their brokerage to TD, absent other specific instructions as discussed below, or absent our decision to route that order to another broker. Because we are not usually choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for clients and this may ultimately cost clients more money. Not all investment advisers require directed brokerage.

Aggregation of Orders

Our order volume does not typically support aggregated or "block" trades, although we reserve the right to do so. In most cases, we would aggregate trades only where we determined that aggregation was likely to result in better execution prices or lower commission costs to end clients. We are not obligated to include any client account in a block trade. No client participating in a block trade will be favored over any other client that also participates in the same block trade.

When it is advantageous to Advisors' clients and can be accomplished efficiently, we may aggregate purchase or sale orders for a security for the accounts of multiple clients into a single transaction, often referred to as a "block" or "bunched" trade. In a block trade, each participating client receives a price that represents the average of the prices at which we executed all of the transactions in that block. Block trades can lower transaction costs and/or help clients achieve better execution. Accounts participating in a block trade share

transactions costs on an equal and pro rata basis. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Cross Transactions

We occasionally complete cross transactions on behalf of Advisors' clients. This occurs when selling a security from the account of one client and buying it in the account of another without entering an open-market transaction. We will process cross transactions when we decide the Accounts involved would likely receive better overall execution through a cross. This occurs most frequently with thinly-traded or limited-market securities and is generally initiated because one client needs to liquidate an investment we are not currently recommending for sale and another client wishes to purchase that security.

Custodial and Brokerage Charges

TD provides its current brokerage charges (commissions) and fees to clients when they establish an account. Custodians typically assess other fees and charges, in addition to the commissions or asset-based fees, for services such as wire fees, retirement plan maintenance fees, transfer and termination fees, etc. FAM does not receive any portion of these charges.

In some cases, clients may select TD's asset-based pricing model instead of transaction-based charges. In general, accounts that trade more actively will benefit from asset-based pricing and accounts that trade infrequently will benefit from transaction-based commissions. The asset level in the account also enters into the assessment, with larger accounts often receiving discounts from the custodians.

Item 13 - Review of Accounts

FAM reviews investment holdings and Model allocations on an ongoing basis. Individual accounts are reviewed through exception processing to ensure that portfolios are allocated within firm tolerances and consistent with Advisor-provided data concerning client objectives and requirements. Specific accounts will be reviewed at the request of Advisor, as described in the Agreement.

FAM may also review overall holdings and allocations or specific portfolios upon the occurrence of a triggering event, such as significant market movement, or a change in the client information reported to us by the Advisor.

In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, FAM may provide quarterly reports summarizing account performance, balances and holdings. FAM also makes available a web-based performance reporting tool for those Advisors that so desire.

Item 14 - Client Referrals and Other Compensation

From time to time, FAM may pay a referral fee to a person or to another investment advisory firm for a referral under the Investment Advisers Act of 1940, Rule 206(4)-3. The referring party must enter into a Solicitor's Agreement with FAM and the client who is introduced under this arrangement receive a Solicitor's Disclosure Statement. The Solicitor's Disclosure Statement provides certain information to the introduced client, including but not limited to, the fact that

the solicitor/introducer is receiving compensation, the nature of the compensation being received and whether or not the introduced client is paying any more or less for advisory services because of this referral fee arrangement.

Our affiliates FCM and FRS plan to cross-refer clients. To the extent individual plan participants referred by FRS become clients of FCM, those clients will ultimately be sub-advised by FAM under our agreement with FCM and FAM's revenue will increase. FAM is not directly involved in these referral arrangements because it offers services only to other investment advisors, including its affiliate FCM, but does benefit indirectly from them.

As disclosed under Item 12, above, we participate in TD's Institutional program and we recommend TD to our clients for custody and brokerage services. There is no direct link between our participation in the Institutional program and the investment advice we give to clients, though we do receive economic benefits that are typically not available if our clients used TD's retail investor services.

Services that benefit both FAM and Advisor clients include:

- Software that allows us to construct, manage, and re-balance client accounts in accordance with our strategies;
- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Provide pricing and other market data;
- Research-related products and tools;
- Access to a trading desk, and access to block trading and aggregation/allocation tools;
- Assist with back-office functions, recordkeeping, and client reporting.

TD also offers other services, without cost or at a discount, that are intended to help us manage and further develop our business enterprise and that generally benefit only us. These services include:

- Educational conferences and events (that may also include business entertainment and payment of travel and lodging costs);
- Consulting on technology, compliance, legal, and business needs;
- Publications and conferences on practice management and business succession;
- Payments, reimbursements, or discounts on business consulting or other professional services, to our advisors or executives; and
- Facilitate payment of our Program fees from clients' accounts;
- Support back-office and investment management efficiencies that permit FAM to offer services to other RIAs.

The availability of these services from TD is not contingent on any commitment on our part with respect to brokerage commissions, loads, or transactions fees, but we have represented that we intend to grow our business and that FAM expects its own investment advisor clients to use TD. The receipt of these services benefits us because we do not have to produce or purchase them independently. A conflict of interest arises if we recommend TD to clients based on our

interest in receiving these benefits rather than based on clients' interests in receiving the best value in custody services and/or the most favorable transaction execution. When recommending custodial broker-dealers to clients, however, we do so based on the scope, quality and pricing of the broker-dealer's services independent of any benefits we may receive.

Item 15 - Custody

The Advisors who use our services typically have authority to deduct fees directly from client accounts. FAM assists Advisors by calculating both the Program fees and the Advisor's fee. FAM does not have authority to possess or take actual custody of clients' funds or securities. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Advisors' clients may also receive a quarterly performance report prepared by FAM and FAM urges client to carefully review such statements and compare official custodial records to the account statements we provide to Advisors. FAM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. FAM's client quarterly performance reports should not be construed as custodial account statements, nor should they be used in place of the client's custodial statements.

Item 16 - Investment Discretion

Under most of our Agreements, FAM has full discretion to make investment decisions without notice to, or approval from Advisor or Advisor's client. Advisors delegate trading authority to us when they sign our Agreement. Advisors typically obtain discretionary authority through limited powers of attorney contained in their own client agreements, as well as through limited powers of attorney required by the Custodian Broker.

Advisors may relay client-imposed conditions and thereby limit our discretionary authority.

Item 17 - Voting Client Securities

FAM votes proxies on behalf of Advisors' clients, if the Advisor grants the authority and provides necessary authorizations through the custodian. If the Advisor does not authorize FAM to vote proxies, the Advisor or the Advisor's clients will continue to receive and vote them directly. Regardless of whether FAM will vote the proxy, Advisors may contact us using the contact information on the cover of this Brochure with any questions they have about proxies.

We have established proxy voting guidelines as part of firm policies. These guidelines are generally intended to support the ability of management to run its business long-term, in a cost-effective manner, and focused on maximizing shareholder value. We vote all proxies related to securities registered under the Investment Company Act of 1940 (i.e., mutual funds and ETFs). For individual equities, we typically vote only when the proxy is contested. In all cases, we are obligated to vote proxies in the best interests of clients.

Where a proxy proposal raises a material conflict between us and a client's interest, we will resolve the conflict as follows:

- (i) Consistent with our existing guidelines, assuming we have little or no discretion to deviate from those guidelines with respect to the proposal in question.

- (ii) Obtain consent of the Advisor, to the extent we have discretion to deviate from the guidelines. We will disclose the conflict to the relevant Advisor and obtain consent for how we vote prior to doing so. Depending on the nature of the conflict, we may require that the Advisor confirm that the Advisor obtained specific consent from the Advisor's end clients.

Advisors may obtain information on how we voted their clients' proxies, or obtain a copy of our proxy voting procedures, by emailing or calling us as indicated on the front cover of this Brochure.

Item 18 - Financial Information

We have no financial condition reasonably likely to impair our ability to meet our contractual commitments.