
ITEM 1: COVER PAGE

Part 2A of Form ADV – Firm Brochure Dated March 27, 2020

CRD #302105

Financial Advocates Wealth Management, LLC

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Olympia, WA 98502

<http://www.financialadvocates.com>

This brochure provides information about the qualifications and business practices of Financial Advocates Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact our **CHIEF COMPLIANCE OFFICER** by telephone at (360) 866-2345 or by email at riacompliance@financialadvocates.com. The information in this brochure has not been approved by the United States Securities and Exchange Commission (SEC) or any state securities authority.

Please note that the use of the term “registered investment adviser” and the description of Financial Advocates Investment Management, LLC (“FAWM”) and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our associates. Additional information about FAWM and our associates is available on the SEC’s Investment Advisor Public Disclosure website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

This section of FAWM's Brochure provides our clients and potential clients with a summary of material changes made to our Brochure since our last annual update. We will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year (December 31).

The date of our initial filing was June 2019.

Since our initial filing, there have been no material changes.

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ITEM 4. ADVISORY BUSINESS

Financial Advocates Wealth Management, LLC (“FAWM,” “us,” “we,” “our”) is registered with the Securities and Exchange Commission (SEC) as a n investment adviser. FAWM is a limited liability company formed in the State of Washington in April 2019. While FAWM is a new adviser, it is related through common control to other investment advisers, Financial Advocates Investment Management, LLC (“FAIM”) and Financial Advocates Advisory Services, LLC (“FAAS”). FAIM has been in business since 2010 and FAAS since 2008. FAWM is 100% owned by FA Holdings, Inc. The group of affiliated companies is referred to collectively as “Financial Advocates.”

The Financial Advocates business model is based on a decentralized network of Investment Adviser Representatives (“IARs” or “Consultants”) with offices located in numerous states and cities. Although all of FAWM’s IARs are registered with, and subject to oversight and supervision by, FAWM, they operate their businesses independently and some offices work under a separate business name or “DBA”. IARs associated with FAWM may provide IAR services to clients under a DBA name that is owned and registered by the IAR or the group of IARs which the DBA name represents. As such, marketing materials provided to clients and potential clients may include the DBA name and may include a logo associated with the DBA name. FAWM continues to review and approve marketing materials related to the IAR or IA firm services offered and provided to clients. FAWM supervises IARs in the performance of their IAR duties whether the services are performed under the IAR’s name, the DBA name, or the FAWM name. If properly disclosed as an outside business activity of the IAR, FAWM allows IARs to provide other products and services through their DBA so long as they are unrelated to FAWM’s IA business. These outside business activities are not associated with or supervised by FAWM. Because all of our IARs operate their businesses independently from one another, they have significant flexibility in providing tailored individualized investment advice to clients. FAWM’s home office in Olympia, WA, assists the IARs with marketing, back-office functions and compliance responsibilities. A list of all of the FAWM approved DBA names can be found on our Schedule D, Section 1.B. Other Business Names of our Form ADV Part 1 which is available on the SEC’s Investment Advisor Public Disclosure website at www.adviserinfo.sec.gov.

FAWM as a whole offers the following types of services: investment management, hourly consulting, financial planning and consultations, and pension consulting services. Individual IARs offer investment advice to clients utilizing some or all of these services. The following paragraphs describe our services and fees.

Asset Management

As part of our asset management services, we create a portfolio for each client, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and/or other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we have ongoing discretionary authority. We review the overall portfolio at least quarterly and, if necessary, rebalance based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

In designing an investment portfolio for a client, we may work with a third party money manager, also an investment adviser, who is independent of FAWM. When we work with third party money managers, we’re utilizing that money manager’s experience and strategies, helping to develop a suitable portfolio for each client. We conduct initial and ongoing due diligence on any money manager utilized. We also have discretionary authority to add and remove money managers within your investment portfolio. We make sure other advisers are properly registered before we begin working with them.

Wrap Fee Programs:

“Wrap fee programs” are advisory programs under which a specified fee or fees, not based directly upon transactions in a client’s account, is charged for both investment advisory services and the execution of client transactions. We make wrap programs available to our clients. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of the compensation we receive through wrap programs may be more or less than what we would receive if the client participated in different fee programs

or paid separately for investment advice, brokerage and other services. Similarly, services may cost clients more or less than if they paid for the services separately.

Where we earn additional compensation due to the client's participation in a wrap fee program, we have a financial incentive to recommend these programs over other programs where our compensation is lower. This creates a conflict of interest, which we mitigate by fully disclosing our compensation and the choices available to clients, and by making recommendations consistent with our fiduciary duties to clients.

There is not a material difference in how we manage wrap fee accounts and how we manage other accounts.

Double Leaf Portfolio Solutions

Double Leaf Portfolio Solutions is a wrap fee program sponsored by our affiliate, Financial Advocates Investment Management ("FAIM"). Clients interested in this program will receive a separate disclosure Brochure Appendix describing the program in more detail. Double Leaf Portfolio Solutions are financial models created for use by our IARs for their clients. FAIM has partnered with Horizon Investments, LLC, an unaffiliated investment adviser, to create models that are designed with the client's investment lifecycle in mind. Horizon Investments is responsible for the portfolio construction and selection of the underlying investments with input and approval from FAIM. Horizon does not have knowledge of, or interaction, with the end-clients utilizing these models.

- *Double Leaf Growth* portfolios are designed for clients who are the wealth accumulation stage of their investment lifecycle. There are five globally diverse options, each are balanced with active and passive management to achieve growth in a cost effective manner. These options seek to achieve flexibility while also being focused on the client's long term objectives. The five models include *Double Leaf Aggressive Growth*, *Double Leaf Growth*, *Double Leaf Moderate*, *Double Leaf Conservative* and *Double Leaf Ultra Conservative*.
- *Double Leaf Prepare* portfolios are designed to help clients with the preservation of wealth stage of their investment lifecycle. The *Double Leaf Prepare* portfolios singularly prioritize risk management above market returns. The models are *Double Leaf Aggressive with Risk Management*, *Double Leaf Growth with Risk Management*, *Double Leaf Moderate Growth with Risk Management*, *Double Leaf Conservative with Risk Management* and *Double Leaf Ultra Conservative with Risk Management*.
- *Double Leaf Retire* portfolios are designed for clients who are at the distribution of wealth stage of their investment lifecycle. The *Double Leaf Retire* portfolios seek to increase the likelihood that the client doesn't outlive their assets and are designed specifically with longevity in mind. The models are *Double Leaf 6% Spend*, *Double Leaf 5% Spend* and *Double Leaf 4% Spend*.

Other Wrap Programs

We expect to make other wrap fee programs available through unaffiliated sponsors. If we recommend one of these programs, clients will receive the sponsor's disclosure documents prior to our investing client assets in the program.

Third Party Asset Management Programs

FAWM makes available advisory services and programs of third party asset managers. Under these programs, FAWM's IARs provide ongoing investment advice to clients that is tailored to the individual needs of the client, assisting the client in determining suitability of the program, setting investment objectives and processing the paperwork with the third party asset manager. The IAR may also assist the client in selecting the model portfolio designed by the asset manager. When selecting third-party managers, FAWM retains discretionary authority to hire new managers or to terminate existing managers, but does not have discretionary authority to select individual investments.

Consulting Services, Targeted Financial Planning

Some FAWM IARs may offer consulting services, including financial planning in specific areas. These targeted financial planning services are based on an analysis of the client's current financial circumstances, goals and objectives with respect to

a limited focus area. Typically, targeted financial planning and consulting services involve a process of information gathering by the IAR, analysis of the client's needs or goals, typically followed by a meeting to discuss FAWM's recommendations and to establish next steps for the client. Targeted financial planning does not usually result in a written plan or report.

Financial planning services or hourly consulting services may include analysis or discussion in one or more of the following areas:

- Charitable Planning
- Education Planning
- Cost Segregation Study
- Mortgage/Debt Analysis
- Insurance Analysis
- Lines of Credit Evaluation
- Business and Personal Financial Planning

Clients enter into a Consulting Agreement for financial planning and other consulting services. These services vary depending on each client's needs, but may include any of the above-listed services.

FAWM is not qualified to offer legal or accounting advice and we refer clients to an accountant, attorney or other specialist as necessary for non-advisory related services.

Comprehensive Financial Planning

Generally, comprehensive financial planning services are based on an analysis of the client's current financial circumstances, goals and objectives. This involves a process of information gathering by the IAR, then preparation of a financial plan or other written report. Specifically, comprehensive financial planning will address one or more of the six key areas of financial planning:

- Financial Position
- Protection Planning
- Investment Planning
- Corporate and Personal Income Tax Planning
- Retirement Planning
- Estate Planning.

Our written financial plans provided to clients or financial planning consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs.

For comprehensive financial planning engagements, we provide our clients with a written summary of their financial situation, observations and recommendations. Financial plans or consultations are typically completed within six (6) months of a client's signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client. Clients are free to implement investment recommendations through brokers unaffiliated with FAWM or its IARs.

Hourly Consulting Services

General hourly consulting services are provided for a variety of purposes including, but not limited to:

- Annual Update to Financial Plan
- Asset Allocation Recommendations

- Portfolio Management Recommendations
- Individual Issue Consulting
- Third party review (2nd opinion)

For hourly consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our financial planning services. Implementation of any recommendations or next steps to be taken will be at the discretion of the client.

Investment Fiduciary & Retirement Plan Consulting

We provide consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor"). These services are offered to the Sponsors on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting the Sponsor in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the Sponsor dictate, areas of advising could include, but are not limited to, investment options, plan structure and participant education.

Where we offer plan participants the option of using our Participant Advisory Services for discretionary investment management services, we'll enter into a separate agreement with that participant, describing our services and fees for that service. We also ask that the participant provide information that will help us understand their investment objectives. In providing this service, we are deemed to be a fiduciary and investment manager as defined in ERISA Section 3(38).

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge our fiduciary role within the meaning of Section 3(21) of ERISA, but only with respect to the provision of services described in the Services section of the Investment Fiduciary & Retirement Plan Consulting Agreement ("RPAC"). When providing any ERISA fiduciary services, we will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority and/or control over the assets.

When entering into an RPAC agreement, the Plan Sponsor may select from a number of different services described below. With the exception of Participant Advisory Services, FAWM will be acting in a non-discretionary capacity and will solely be making recommendations to the Plan Sponsor. FAWM will not perform recordkeeping or brokerage services to the Plan. Neither FAWM nor the IAR will assume the duties of a trustee or a Plan Administrator, as defined in ERISA Sec.3(16).

Services offered under an RPAC agreement are described below.

Investment Fiduciary Services: Plan-Level

- Recommendations to establish or revise the Plan's Investment Policy Statement ("IPS"),
- Recommendations to select and monitor the Designated Investment Alternatives ("DIAs"),
- Recommendations to select and monitor Qualified Default Investment Alternatives ("QDIAs")
- Recommendation to select and monitor other investment managers

Investment Fiduciary Services: Participant Level

- IAR will meet with Plan Participants periodically, or upon reasonable request, to collect information necessary to provide individual participants with investment advice and related services regarding the investment options available under the Plan.
- IAR will manage the Participant's account on a discretionary basis.

Retirement Plan Consulting Services

- Administrative Support
 - Assist Plan Sponsor in reviewing objectives and options through the Plan
 - Review of Plan committee structure and administrative policies & procedures
 - Recommend participant education and communications policies under ERISA 404(c)
 - Assist with development/maintenance of fiduciary audit file and document retention policies
 - Deliver fiduciary training and/or education periodically or upon reasonable request.
 - Coordinate and reconcile participant disclosures under 404(a)(5)
 - Develop requirements for responding to participant requests
- Oversight of Relationship with Service Provider
 - Assist with process to select, monitor and replace service providers
 - Assist with review of Covered Service Providers (CSP) disclosures under ERISA 408(b)(2) and fee benchmarking
 - Provide reports and/or information designed to assist with monitoring CSPs
 - Review ERISA Spending Accounts or Plan Expense Recapture Accounts
 - Assist with preparation and review of Request for Proposals (RFPs) and/or Request for Information (RFIs)
 - Coordinate and assist with CSP replacement and conversion
- Investments
 - Periodic review of investment policy in context of Plan objectives
 - Assist Plan committee with monitoring investment performance
 - Provide analysis of investment managers and model portfolios
 - Review and recommend Designated Investment Managers and/or third-party advice providers as necessary
 - Educate Plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)
- Participant Services
 - Facilitate group enrollment meetings
 - Coordinate employee education regarding Plan investments and fees
 - Assist Plan participants in understanding Plan benefits, retirement readiness and impact of increasing deferrals.

Assets Under Management

As of December 31, 2020, we had no assets under management.

ITEM 5. FEES AND COMPENSATION

The following describes our fees so you will know how much you are charged and by whom for the advisory services we provide to you. Our fees are negotiable. Factors that may impact what we charge clients include, but may not be limited to:

- Scope of services rendered
- Complexity
- Amount of assets managed or advised
- Number of plans / relationships with the client
- Number of participants or accounts
- Location of participants or accounts
- Number of meetings required

FAWM will not charge any fee that is not disclosed in this section of our Brochure. Fees are exclusive of brokerage commissions, transactions fees and other related cost and expenses (unless participating in a Wrap Fee program; see Item 4 Wrap Fees). Such expenses will be assessed to the client. Clients may incur certain charges imposed by custodians, brokers, and third-party managers or other third parties that FAWM does not control. These charges can include such things as deferred sales charges, transfer taxes, wire transfer and electronic fund fees, brokerage account fees, and other fees, charges or taxes. For further information related to our brokerage practices, please see Item 12.

We charge on-going fees based on a percentage of assets under management, on an hourly basis, or on a flat-fee basis. Depending on the wishes and needs of the client, we may provide different investment advisory services and charge the client in multiple ways; our fees will always be detailed in the signed written agreement between the client and FAWM. The circumstances and details of each of these options are described in this section of our Brochure.

We charge asset-based fees quarterly, in advance. In the event that you wish to terminate our services in the future, we will refund the unearned portion of our fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your notice of termination, we will proceed to close out your engagement and process a pro-rata refund of unearned fees.

We base our fees on values provided by the account custodian; we do not independently value client assets for billing or any other purpose.

In some cases, we may hold illiquid securities, such as private placements) that are assessed an asset-based fee. These securities are often valued infrequently or not at all. If the asset is held by the qualified custodian, we will use the value the custodian provides. If the asset is held directly with the issuer, we will use one of the following valuation methods: (1) most recent issuer-provide valuation (generally updated annually, but may be more frequent); (2) original purchase amount; or (3) original purchase amount less amount reported by the issuer as return of capital. The proceeds obtained by the investor upon liquidating the investment may be greater or less than the value we use for billing purposes and may differ substantially.

Where we charge hourly or flat rates, the total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

In some cases, we select third-party advisers to manage all or a portion of client assets. We have discretionary authority to hire and terminate the manager, and we negotiate the compensation to be paid to these third parties for management services rendered to our clients and our firm. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee. The advisory fee paid to third party money managers is negotiable in certain circumstances, but, when combined with FAWM's fees, will never exceed the overall amount in our published fee schedule. We usually pay 25% to 50% of the overall advisory fee to third party money managers for their services. The fact that the fees vary creates a conflict of interest in our selecting third-party managers. We describe that conflict in more detail in Item 10, below.

Fees for Asset Management

For Asset Management services, our fees are generally billed quarterly in advance based on a stated annual rate divided by four, and based on the value of your account on the last day of the previous quarter. Fees will generally be automatically deducted from your managed account, although we may agree to bill a client directly on an exceptional basis for Asset Management services.

The following schedule is a guideline only, subject to a maximum annual percentage fee of 2%; all fees and account value levels are subject to negotiation at the sole discretion of the IAR.

Level of Assets Under Management (AUM)		Annual Fee Charged On All AUM
Over	Up To	Percentage (%)
\$0	\$500,000	2.00%
\$500,000	\$1,000,000	1.75%
\$1,000,000	\$3,000,000	1.50%
\$3,000,000	\$10,000,000	1.00%
\$10,000,000		0.50%

Fees for Investment Fiduciary Services and Retirement Plan Consulting

Investment Fiduciary Services (Plan Level) and Retirement Plan Consulting

Due to the wide variance in complexity and scope of our work with Retirement Plan sponsors, as well as the requirements of Plan service providers, the method of billing and amount of fees charged for these services is negotiable. We offer two different billing options for Plan Sponsors at the Plan Level:

- Pay an asset-based fee of a percentage of the Plan assets, payable quarterly.
- Pay an annual flat fee, payable quarterly or in one lump sum on a specific date agreed to between Sponsor and FAWM

By default, our billing frequency for retirement plans is quarterly in arrears, but the Plan Sponsor can choose advance fee billing with any unearned fees to be refunded in the event of termination. The Plan Sponsor may choose whether to pay the fees from plan assets or from the Sponsor directly. Also, depending on a Plan's third party payor support, FAWM offers an option for direct billing.

Fees for Investment Fiduciary and Retirement Consulting services are fully negotiable between the FAWM IAR and the Plan Sponsor, but at no time will be greater than 2% of total plan assets.

Investment Fiduciary Services (Participant Level)

Account fees for Investment Fiduciary Services at the Participant Level (Participant Advisory Services) are charged separately from, and in addition to fees charged at the Plan Level. Fees may be higher than the fees charged by other investment advisers for similar services.

Fees are charged in arrears, assessed at the beginning of each quarter for the previous quarter and based on the value of the covered assets as of the close of business on the last day of the preceding quarter. The total fee charged to the client will be no more than 1.50% (inclusive of Program and Strategist fees). "Client" in this case refers to the participant only; separate fees apply to the Plan itself.

Fees for Double Leaf Portfolios and Other Third-Party Advisory Programs

The Double Leaf Portfolios and some of the third-party advisory programs we recommend to, or select for, clients are considered wrap programs. This means the fee paid to the program sponsor, our affiliated adviser, FAIM, for the Double Leaf Portfolios and to the sponsor(s) of other programs, will include the program sponsor's investment management fee, the advisory fees of independent managers selected within the programs, the execution of the client's portfolio transactions without commission charge, and/or custodial services for the client's assets.

In evaluating wrap fee programs, clients should recognize that transactions are usually effected net, without commissions. A portion of the wrap fee is generally considered as being in lieu of commissions. Trades may be executed with the client's selected custodian or with other brokers, as determined by the program's portfolio managers. Trades executed away from the primary custodian may result in "trade away" fees, which often leads to portfolio manager to trade only with the client's custodian. Depending on the level of portfolio activity in a client's account and other factors, it is possible the wrap fee may exceed the aggregate cost of such services than if they were provided separately. In general, clients in wrap fee programs typically experience a relative cost benefit from frequent trading because their costs do not increase as a result of an increase in trade activity. Frequent trading itself, however, is not necessarily beneficial to overall returns.

As stated earlier in this section of our brochure, fees for these accounts are billed quarterly in advance based on a stated annual rate divided by four, and based on the value of your account on the last day of the previous quarter. Fees are deducted automatically from your account. The wrap fee brochure for the specific program will disclose the fees charged.

Fees for Financial Planning or Consulting Services

We charge on an hourly or flat fee basis for Financial Planning and Hourly Consulting services. Our hourly fees range from \$50.00 to \$300.00. The hourly fee charged by each IAR is determined by his or her experience, expertise and typical market rate. Flat fees vary greatly and could range from a minimum of \$250 to a maximum of \$30,000. The total estimated fee, as well as the ultimate fee that we charge you, is determined by both the time estimated to adequately prepare the plan and the complexity of the scope of our engagement with you.

Our consulting fees may be charged in advance. Particularly complex Financial Plans may require prepayment of a portion of the estimated fee for services. For lengthy engagements, interim payments may be requested. We will not collect more than \$1,200 in advance of the service provided, unless services are completed within six months of our receipt of the fees. Should we collect fees in excess of hours ultimately expended, or otherwise not complete the project, we will return any unearned amounts collected.

The total fee or balance due will be billed directly to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you.

Additional Compensation We Receive

Members of our management team, as well as many of our IARs, are registered representatives with FINRA-member broker-dealers. In their role as registered representatives, they may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. As a matter of policy, however, FAWM does not permit dually-registered IARs to receive commissions from assets or transactions held in advisory accounts. If your IAR is a registered representative of a broker-dealer, that will be disclosed on the IAR's ADV 2B Brochure Supplement.

Dual registration as representatives of a broker-dealer and an investment advisor presents a conflict of interest and gives the representative an incentive to recommend investment products based on the compensation received, rather than on the

client's needs. We mitigate this conflict by prohibiting dual forms of compensation on advisory assets. If a client establishes both an advisory account (advised by FAWM) and a brokerage account (through the unaffiliated broker-dealer where the FAWM IAR also functions as broker and could receive transaction-based compensation, as well as 12b-1 fees), the client and the IAR will establish the types of transactions that will be made in each account. FAWM, its IARs and its affiliates do not receive 12b-1 fees on advisory assets.

Our management personnel and our IARs may also be licensed insurance agents through various insurance companies or own their own independent insurance agencies, unaffiliated with FAWM. In such a capacity, they may offer insurance products and receive normal and customary commissions as a result of such purchase. Clients are not required to purchase insurance products through a FAWM-affiliated insurance agent. If your IAR is a licensed insurance producer, that will be disclosed on the IAR's ADV 2B Brochure Supplement.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge performance-based fees to our clients.

ITEM 7. TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS

We provide investment advisory services to different types of clients, including:

- Individuals and High Net Worth Individuals
- Trusts, Estates or Charitable Organizations
- Pension and Profit Sharing Plans
- Corporations, limited liability companies and other business types

Our account requirements are:

- When opening or maintaining an account with us, or otherwise engaging us for investment advisory services, we have certain account and/or fee minimums, which include LPL-sponsored programs that require a minimum account balance (see details in the LPL wrap fee brochure for the specific program).
- We generally charge a minimum fee of \$250 for written financial plans.
- We do not require a minimum asset amount for retirement plan consulting services.
- We do not require a minimum account balance for asset management services.
- We do not charge a minimum fee for asset management services.

We provide our Investment Fiduciary & Retirement Plan Consulting services only to clients that are sponsors or other fiduciaries to retirement plans or to participants of those plans. This includes 401(k), 457(b), 403(b) and 401(a) plans; plans may be participant-directed defined contribution plans or defined benefit plans; plans may or may not be subject to ERISA.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our IARs work independently from one another and employ varying philosophies, strategies, and tools in their investment analysis and due diligence processes. Any one of our IARs could utilize the following methods of analysis and strategies:

Asset Allocation – Rather than focusing primarily on securities selection, this is an attempt to identify an appropriate ratio of equity securities, fixed income securities, alternative investments and cash suitable to the client’s investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equity securities, fixed income securities, alternative investments and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client’s goals.

Fundamental Analysis – This approach attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security. Similarly, the analysis of intrinsic value may simply be incorrect.

Technical Analysis – This involves analysis of past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company, though a key assumption is the market price of a security at any given point accurately reflects all available information and represents the true value of the security. Technical analysis also assumes that price changes are not random. Risk is inherent in the fact that a poorly-managed or financially unsound company may underperform regardless of market movement. Further, the trend assumptions may be inaccurate and there is no guarantee that the price of a security will actually move in the direction an identified trend or pattern would suggest.

Our IARs apply generally accepted investment theories so that investment choices for clients align with the client’s investment needs and objectives and are made with the goal to reasonably diversify client assets to help minimize the risk of large losses and to provide the potential for varying degrees of long-term appreciation and capital preservation. We generally use a mix of equity and fixed income exposures to meet the risk-based categories identified in the client’s risk profile. IARs will diversify, reallocate and rebalance the investments and associated risk levels over time in accordance with generally accepted investment theories and consistent with the client’s risk profile. IARs may make recommendations for changes to the underlying investments and/or the asset allocation percentages of any portfolios as well.

In the implementation of their analysis, FAWM IARs use some or all of the following strategies at any given time:

Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities’ short-term price fluctuations. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains. This difference in tax treatment is a disadvantage of short-term trades for taxable clients.

Trading – IARs may use short-term trades (in general, selling securities within 30 days of purchasing the same securities) when managing your account(s). An IAR may sell a security soon after purchasing it on occasions when they determine that there is a reasonable basis for the sale and it is suitable given a client’s stated investment objectives and tolerance for risk. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains, while losses realized on securities held 30 days or less are generally not tax deductible. These differences in tax treatment are disadvantages of short-term trades for taxable clients. There is also risk in that high velocity trading creates substantial transactions costs that in aggregate could negatively impact account performance.

The following strategies are not generally used by FAWM IARs. They are, however, used by some of the exchange-traded funds (ETF) or mutual funds we select for client accounts. The specific strategies and risks of the ETFs or mutual funds we select are described in the investment’s prospectus.

Short Sales – securities transactions in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price. The risk associated with a short sale is the potential of unlimited loss should the underlying value of the short position increase in value instead of the anticipated decline. Another risk is buy-in risk. Once borrowed, the shares are subject to buy-in at any time, which could force the client to cover the short position at a disadvantageous time or price. Short sales require the use of margin, which may increase cost and risk. Additional costs include interest on the value of borrowed securities. Risks also include additional margin calls in response to market fluctuations or at the discretion of the custodian.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. This allows the client to purchase more stock than they would otherwise be able to, based on the account's available cash, and would allow the IAR to purchase stock without selling other holdings, which is therefore a higher risk strategy. Securities purchased on margin are subject to liquidation, additional margin calls, and interest on the funds borrowed. Should the value of the securities decline, clients may be forced to deposit additional margin with limited notice, or to liquidate their securities at substantial losses.

Option Purchases and Option Writing – Purchasing a long option gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor writes (or sells) an option, he or she is obligated to deliver to the buyer of the option a specified number of shares (or the calculated money difference) if the buyer exercises the option. FAWM does not generally permit uncovered option writing in advisory accounts. The seller receives a premium in exchange for writing the option. Options are wasting assets and expire at pre-determined dates. Commission charges for options transactions may be higher than the charges assessed for other assets, such as individual equities.

Risk of Loss

Please note: Investing in securities involves risk of loss that clients should be prepared to bear. While the value of your investments could increase and your account(s) thereby enjoy a gain, it is also possible that the value of your investments could decrease and your account(s) thereby suffer a loss. It is important that you understand the risks associated with investing in the securities markets, that you be appropriately diversified in your investments, and that you ask us any questions you may have.

FAWM can recommend many different types of securities, including mutual funds, closed end funds, ETFs (including inverse and leveraged ETFs), allocation on variable annuity subaccounts, equities, warrants, fixed income securities, options, and structured products. Investing in these securities and alternative investments involves the risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication or guarantee of future performance.

Described below are some particular risks associated with some types of investments FAWM may recommend. Risk is inseparable from return. Every investment involves some degree of risk, and both the degree of risk and the type of risk varies depending on the investment. For example, the risk of loss of principal can be very close to zero in the case of a US Treasury security, or very high for something such as a concentrated exposure to one specific foreign security. On the other hand, purchasing power risk for a US Treasury security may be higher than the purchasing power risk of a higher-yield corporate bond or an equity. An understanding of risk in different forms can help clients to understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that despite any comprehensive analysis, the security or instrument will not perform as expected. This can be due to, among other things:

Exchange-Traded Funds: Exchange-traded funds ("ETFs") are funds bought and sold on a securities exchange that attempt to track the performance of a specific index (e.g. S&P 500), a commodity, or a basket of assets such as a set of technology-focused, country-specific, or other sector-specific stocks. The risks of owning an ETF generally reflect the

risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying securities. ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

Market Risk: the success of client's portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses.

Equity Risk: investments in equity securities (including ETFs and mutual funds) generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets. A higher turnover rate, or increased trading may result in higher transactions costs and higher taxes in taxable accounts and may also affect the strategies' overall performance.

Management Risk: the strategies utilized by FAWM may not work in some market conditions. Management risk could also influence mutual fund and ETF portfolio management teams.

Fixed Income Risks: investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss. While interest rates have risen somewhat in the recent past, rates remain low from a historical perspective. All other things being equal, when interest rates rise, the prices of fixed income securities fall. Accordingly, portfolios holding fixed income securities will typically experience declines in value when prevailing interest rates rise. Longer-term fixed-income securities are particularly susceptible to this risk.

Increased Regulations: events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

Market Liquidity Risks: the value of securities held in client accounts that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, in September 2001, and the "Flash Crash" in May 2010 (the biggest one-day point decline, 998.5 points, on an intraday basis in Dow Jones Industrial average history) could lead to violent price swings in securities held within client portfolios and could result in substantial losses.

Small Capitalization Companies: a portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact client portfolios.

Large Company Risk: large cap stocks can perform differently from other segments of the equity market or from the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies.

Short Sales, Leverage and Derivatives: short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investment suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions can also be subject to a “short squeeze” that could lead to accelerating losses for those short that particular security.

Leverage Risk: which may increase volatility of the portfolio.

Price and Interest Rate Risk: when interest rates change, the price of a bond is likely to adjust up or down so that its yield, based on the new price, is in line with the new level of interest rates. Interest rate risk is probably the most significant risk facing clients in fixed income securities because it affects all bonds similarly.

Credit Risk: the market’s perception of the bond issuer’s ability to pay interest and repay principal.

Convertible Arbitrage Risk: if interest rates on the convertible security rise, its value usually falls.

Short Sales Risk: if the value of a security sold short increases prior to the scheduled delivery date, the account must pay more for the security than it has received from the purchaser in the short sale.

Options and Futures Risk: the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract, or the options may become illiquid and difficult to close. Options are a derivative of stocks. An option derives its value from the price of the underlying stock.

Tax Risk: FAWM in some cases may not manage client accounts with tax consequences in mind; some strategies, including transactions in options and futures contracts, can be subject to special tax rules, which may have adverse tax consequences for the account holder.

Private Placements: these instruments are exempt from registration under federal securities laws, have limited or no transparency as to the underlying investments, and are generally available only to “accredited” or “qualified investors,” who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk and such investments should be viewed as long-term investments. Clients do not have access to public information, and the securities purchased are deemed restricted, are not traded on a secondary market or exchange and the instrument is thus illiquid. Partnership and fee expenses may be a higher percentage of net assets than traditional investment strategies and may include performance or incentive fees. The duration of private fund investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. This is not an exclusive list of potential or actual risks in any particular private placement. Potential investors should review the particular private offering memorandum for more complete risk and strategy information. FAWM does not have discretionary authority to invest client assets in private placements. Clients must explicitly consent to these investments after receipt of the offering documents, and must execute subscription and other agreements directly with the issuer. We charge advisory fees on private placements held in client portfolios. The valuation of these illiquid securities is handled somewhat differently than liquid securities; see Item 5 for more information. Values used for fee billing purposes may be materially different from what clients ultimately receive upon liquidation.

Extraordinary Events: global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

Non-US Investments: Client funds may be invested in securities (e.g., debt, equity, currencies, derivatives, etc.) of issuers domiciled outside the United States. Such investments expose a portfolio to a number of risks that may not exist in the domestic market alone. Such risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations.

Potential Concentration: client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

ITEM 9. DISCIPLINARY INFORMATION

Neither our firm nor any of our management persons have been subject to any material legal or disciplinary events.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

FAWM has two affiliated investment advisers under common ownership and control, Financial Advocates Investment Management, LLC ("FAIM") and Financial Advocates Advisory Services, LLC ("FAAS"). These firms are run by the same management team, operating out of the same location as FAWM and using the same personnel and other resources. However, FAWM operates under a different business model and IARs of FAWM are not also IARs of FAIM or FAAS. FAWM permits its IARs to register with unaffiliated broker-dealers, but neither FAWM nor its management personnel share in any commissions generated through those broker-dealer relationships. By using central management and facilities, we are able to create economies of scale and manage our businesses more efficiently. The potential downside for clients of FAWM is that our management is not dedicated to FAWM's activities. We believe, though, that our staffing is appropriate for existing operations and we will continue to monitor that as FAWM's business grows.

FAWM's parent, Financial Advocates, Inc., owns a limited-purpose broker-dealer, Financial Advocates Securities, LLC, which will function solely to share in commissions generated through FAIM's hybrid RIA relationship with LPL Financial Services, an unaffiliated broker-dealer. Gary Campbell, FAWM's Manager, is currently the sole principal of Financial Advocates Securities. We do not believe the planned relationship presents a conflict for FAWM clients, except to the extent management of that firm will require some of Mr. Campbell's time and attention. The conflicts that arise through FAIM's relationship with LPL are clearly disclosed in FAIM's ADV Part 2.

FAWM has an affiliated insurance agency business conducted under Financial Advocates, Inc. The agency offers fixed insurance products only and is only utilized by independent financial advisors who are not associated with FAWM.

Some FAWM IARs are insurance agents appointed with various insurance companies and some IARs are insurance agents running their own insurance agency. This presents a conflict of interest to the extent that the agent recommends that a client purchase insurance products which results in a commission being paid to that agent.

Clients are under no obligation to act upon any recommendation or effect any transactions through the IAR/agent if they decide to follow the recommendations made.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

FAWM has established a Code of Ethics which applies to all of our associated persons, including our IARs. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all of our clients. Our fiduciary duty is the core underlying principle for our Code of Ethics.

We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understood, and agreed to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

We have established the following restrictions as they relate to our participation or interest in client transactions and personal transactions of supervised persons:

- No supervised persons of our firm may purchase, sell or hold any security in a client's account in a manner calculated to create personal benefit to that supervised person. If a supervised person stands to materially benefit from an investment decision for a client, the supervised person must disclose the full nature of the interest and personal benefit.
- A supervised person cannot trade ahead of an advisory client when he or she is buying or selling the same securities for themselves personally.

This disclosure is provided to give all clients a summary of our Code of Ethics relating to transactions. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request and at no cost.

See Item 12 below for additional information regarding brokerage commissions.

ITEM 12. BROKERAGE PRACTICES

FAWM currently recommends three custodians: Fidelity Brokerage Services, LLC ("Fidelity"); Charles Schwab & Co., Inc. ("Schwab"); and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TDA").

Clients must select a custodian and enter into a separate agreement with that firm. We do not have discretionary authority to choose custodians.

We do not have any traditional "soft dollar" arrangements but do receive various benefits from our relationships with the custodians we recommend. These are described more fully below.

Factors Considered in Recommending Brokers/Custodians

Our duty to seek best execution is the primary factor we consider in recommending custodians. A client may pay a commission that is higher or lower than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific

client account transactions (see “Directed Brokerage,” below). Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client’s account.

We have independently evaluated the services provided by Schwab, Fidelity, and TDA and determined that each of the custodians satisfies our duty of best execution. We have also determined that the custodial market provides a relatively standard suite of services that offer value to both clients and to FAWM. The following items are of value to both FAWM and our clients when compared to other brokers or custodians:

- Mix of brokerage execution services
- Reasonableness of compensation (generally low commissions and other charges)
- Research availability
- Variety of securities that can be purchased or sold (including the number of mutual funds) on a load waived or no-load basis, with many also on a no-transaction fee basis
- The fact that the firm does not charge for custodial services

Charles Schwab & Co., Inc.

We participate in a program called “Schwab Advisor Services” which is sponsored by Schwab and made available to FAWM and other investment advisers. By participating in this program, and through custody of client assets with Schwab, we receive access to tools and services, such as:

- Software and other technology that provides access to client account data;
- Facilitation of trade execution and the allocation of blocked orders for multiple accounts;
- Research, pricing and other market data;
- Payment of our fees directly from your account, if authorized in your advisory agreement;
- Assistance with back-office functions, recordkeeping and client reporting;
- Services related to the management and development of our business, such as compliance, legal, and business consulting;
- Educational events or occasional business entertainment of our employees.

The software, technology, and account access, as well as the practice management resources Schwab provides, create an operational and compliance benefit for FAWM that does not necessarily translate directly into a client benefit. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Schwab’s services. We examined this potential conflict of interest when we chose to enter into the relationship with Schwab and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution.

Fidelity Brokerage Services, LLC

In addition to the services that benefit clients directly, Fidelity also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to:

- Access to client account data, such as trade confirmations and account statements;
- Facilitation of trade execution and allocation of aggregated orders for multiple client accounts;
- Research, pricing, and other market data;
- Payment of our fees directly from your account, if authorized in your advisory agreement;
- Assist with back-office functions, recordkeeping and client reporting;
- Performance reporting;
- Financial planning resources;
- Contact management systems

- Publications;
- Access to educational conferences, roundtables and webinars;
- Practice management resources;
- Access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly.

The software, technology, and account access, as well as the practice management resources Fidelity provides create an operational and compliance benefit for FAWM that does not necessarily translate directly into a client benefit. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution.

TD Ameritrade, Inc.

FAWM participates in TDA's institutional customer program and we may recommend TDA to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TDA retail investors.

These benefits include the following products and services (provided without cost or at a discount):

- Duplicate client confirmations;
- Research related products and tools;
- Consulting services;
- Access to a trading desk serving adviser participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- The ability to have advisory fees deducted directly from client accounts;
- Access to an electronic communications network for client order entry and account information;
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to FAWM by third party vendors.

The software, technology, and account access, as well as the practice management resources TDA provides create an operational and compliance benefit for FAWM that does not necessarily translate directly into a client benefit. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of TDA's services. We examined this potential conflict of interest when we chose to enter into the relationship with TDA and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution.

Commissions & Other Custodian Compensation

The custodians we recommend do not charge for custodial services but instead receive compensation through account holder commissions and other transaction-related fees for securities trades executed by them or settled into your accounts.

In the programs provided to advisers like FAWM, the custodians establish flat commission charges for various types of securities transactions, or they offer asset-based pricing in which they charge an annual asset-based fee, rather than per-transaction charges. The type of fee structure will be disclosed at the time the accounts is established. We typically recommend the asset-based pricing model if we expect the client will have a large number of trades. We do not negotiate the commissions you pay on a transaction-by-transaction basis. Commissions you pay to the custodian, if any, are disclosed on the confirmation of each security transaction we place on your behalf. These confirmations are sent directly to you by the custodian and we receive a copy of them.

In some cases the mutual funds or ETFs we purchase or sell for your accounts are made available by the custodian on a no-load or load-waived basis. In addition, certain mutual funds and ETFs are made available for no transaction fee; as a result the confirmation may show “no commission” for a particular transaction. Typically the custodian or a custodian affiliate (but not FAWM) earns additional remuneration from such services as recordkeeping, administration, and platform fees, for the funds and ETFs on their no-transaction fee lists. This additional revenue to the custodian or affiliate that will tend to increase the internal expenses of the fund or ETF. FAWM selects investments based on our assessment of a number of factors, including liquidity, asset exposure, reasonable fees, effective management, and low execution cost.

Directed Brokerage

Because we typically execute your investment transactions through the custodian holding your assets, we are effectively requiring that you “direct” your brokerage to your custodian, absent other specific instructions as discussed below. 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.

We do not use, recommend, or direct activity to brokers in exchange for client referrals. Although not a normal business practice for FAWM, we may permit clients to direct us to use brokers other than the custodian (client-directed brokerage). If we agree to accommodate your request to do this, we will likely have little or no ability to negotiate commissions or influence execution price, and you will also not benefit from any trade aggregation we may implement for other clients. This may result in greater costs to you.

Aggregation & Allocation of Client Orders

For customized advisory services, IARs may aggregate transactions in equity and fixed income securities for a client with another client to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. IARs may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If IARs do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

ITEM 13. REVIEW OF ACCOUNTS OR FINANCIAL PLANS

The Chief Compliance Officer or one of FAWM’s designated compliance officers oversees and monitors the IAR’s activities on behalf of FAWM on a regular basis. The Chief Compliance Officer or a designated compliance officer conduct reviews of all client agreements and financial plans, as applicable.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to Targeted Financial Planning, Comprehensive Financial Planning or Hourly Consulting clients, unless they separately contract with us for a post- planning meeting or for an update to their initial written financial plan.

Investment Fiduciary and Retirement Plan Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

Each IAR is ultimately responsible for reviewing his or her own clients' investment portfolios. IARs will continuously monitor the underlying securities within client accounts as well as any select third-party managers or programs. The frequency and content of any ongoing reviews done varies depending on the practices of any particular IAR and agreements with his or her clients.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Referral Fees

We may pay referral fees (non-commission based) to independent solicitors for the referral of their clients to our firm. Such referral fees represent a share of the investment advisory fee we charge our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitor Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and solicitor(s).

ITEM 15. CUSTODY

Custody is defined as our firm having any legal or actual ability to access client funds or securities. We strictly limit our access to the ability to withdraw funds for the purpose of fee deduction for accounts being charged an asset-based management fee. The advisory agreement clients complete defines the circumstances under which we can withdraw fees from your account.

All client assets are maintained with a qualified custodian, discussed earlier in this Brochure. Clients will receive at least quarterly statements from the qualified custodian that holds and maintains clients' investment assets. These statements are e-mailed or mailed to you at the e-mail or mailing address you provide to us. We urge clients to carefully review their custodial account statements and notify FAWM of any discrepancies as soon as possible, including any error they believe may have occurred in the fee calculation.

ITEM 16. INVESTMENT DISCRETION

All clients who choose to have us provide ongoing investment management will sign an investment advisory agreement that contains a limited power of attorney granting us discretionary authority to effect transactions in the client's account(s). Clients may also be required to execute additional agreements for wrap fee programs, or with third-party managers. This agreement becomes effective only at time of written acceptance by an authorized representative of FAWM. Clients may limit our discretionary authority if they do so in writing; FAWM must agree to the limit.

Where we offer Plan participants the option of using our Participant Advisory Services for discretionary investment management services, we will enter into a separate agreement with that participant, describing our services and fees for that

service. We also ask that the participant provide information that will help us understand their investment objectives. In providing this service, we are deemed to be a fiduciary and investment manager as defined in ERISA Section 3(38).

ITEM 17. VOTING CLIENT SECURITIES

FAWM does not accept proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Third party money managers selected or recommended by our firm may, however, vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

Clients may call, write or e-mail us to discuss questions they may have about particular proxy votes or other solicitations.

ITEM 18. FINANCIAL INFORMATION

We are not required to provide financial information in this Brochure because:

- We do not require nor do we solicit prepayment of more than \$1,200 in fees, per client, six or more months in advance.
- We do not take custody of client funds or securities, other than fee deduction as detailed in Item 15.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.