

Financial Advisory Corporation

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4251 Cascade Road S.E.

Grand Rapids, MI 49546

616-235-5260

Fax: 616-235-0512

www.financialadvisorycorp.com

This brochure provides information about the qualifications and business practices of Financial Advisory Corporation. If you have any questions about the contents of this brochure, please contact us at 616-235-5260. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about our firm is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Financial Advisory Corporation is 105472.

Financial Advisory Corporation is a Registered Investment Adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes

Item 2

We have no material changes to our brochure since our prior filing dated March 15, 2019. We encourage you to read this brochure in its entirety.

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Advisory Business

Item 4

Background

- Company started in July 1988
- Formed to provide independent and objective advice
- Paul G. Anthes is the founder and principle owner
- Financial Advisory Corporation (FAC) is a SEC-registered adviser. Registration with the SEC does not imply any level of skill or training.

Services Offered

We offer both investment management and financial planning services for our clients. We believe that the decisions made in the area of financial planning often impact the decisions made with investments. That is why our normal client services include both areas, which we refer to as Wealth Management Services. Listed below are some highlights of both of these areas.

Investments

- Determination of proper risk profile
- Once your risk tolerance level is understood, a portfolio is created using the process of asset allocation
- Portfolio is reviewed on at least a quarterly basis
- Periodic rebalancing
- Calculated rate of return for the entire portfolio
- Education in basic investment concepts and strategies
- Quarterly portfolio reports
- Recommendation of portfolio changes as conditions warrant

Item 4 – Advisory Business (continued)

Financial Planning

- Gathering of financial data
- Coordinating data in a written format to be used as a guide to pursue stated goals and objectives
- This written document could include various modules such as:
 - Statement of Financial Position
 - Goals and Objectives
 - Retirement Planning
 - Cash Flow System
 - Income Tax Summary
 - Financial Projections
 - Estate Plan Information
 - Education Funding
 - Savings Projections
 - Risk Management and Insurance Summary
 - Other financial matters, specific to the client

Services for Retirement Plans

- We will provide investment advice as a fiduciary as defined in ERISA Section 3(21) of the Code, meaning we share the liability for making investment decisions with the plan trustees. Services include assisting trustees in:
 - Developing investment objectives and an Investment Policy Statement
 - Selection of available investment choices for participant directed plans
 - Recommending investment alternatives to allow the Plan's participants to choose among a broad range of investments that will allow diversification within and among alternatives (for participant directed plans)

Item 4 – Advisory Business (continued)

- Evaluating the investment results and analysis of the Plan and its investment portfolio
- Other retirement plan investment services:
 - Portfolio is reviewed on at least a quarterly basis
 - Periodic rebalancing
 - Calculated rate of return for the entire portfolio
 - Education in basic investment concepts and strategies
 - Quarterly portfolio reports
 - Recommendation of portfolio changes as conditions warrant

Services for Non-Profits, and Endowment Funds

- Services include assisting trustees in:
 - Developing investment objectives and an Investment Policy Statement
 - Determination of proper risk profile
 - Once your risk tolerance level is understood, a portfolio is created using the process of asset allocation
 - Portfolio is reviewed on at least a quarterly basis
 - Periodic rebalancing
 - Calculated rate of return for the entire portfolio
 - Education in basic investment concepts and strategies
 - Quarterly portfolio reports
 - Recommendation of portfolio changes as conditions warrant

Schwab Institutional Intelligent Portfolios

For a few and limited number of clients, if appropriate, we offer an automated investment program (the “Program”) through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”) and a cash allocation.

In these limited situations, a client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“Schwab”). We use the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisors and an affiliate of Schwab, to operate the Program.

We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, Schwab, or their affiliates. We, and not Schwab, are the client’s investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis.

We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process.

Item 4 – Advisory Business (continued)

We manage the portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

This portfolio is included when determining the fee for our services as described under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program. We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at Schwab that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with Schwab. While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, clients should be aware that the potential for our firm to be charged additional fees creates a conflict of interest, which can affect the judgment of individuals making the recommendation.

Our Methods

Our services are usually tailored to meet your individual needs. Your goals and objectives are unique and are considered when making investments or financial planning decisions.

Most clients grant us discretionary power with their accounts. Having this discretionary authority allows us to provide service in managing your investments

Item 4 – Advisory Business (continued)

and applying the investment strategy on an ongoing basis. You are always in full control and may impose restrictions on investing in certain types of securities if you choose.

In the area of investments, we routinely recommend an asset allocation strategy. However, you are not obligated to use this strategy. Asset allocation is a strategy that uses a mix of asset classes in various proportions based on your desired level of risk. Target amounts are established for each asset class and rebalancing back to the targeted amounts is suggested on a periodic basis. A common guideline would be to rebalance the portfolio if the difference between targeted amounts and current amounts were greater than 5%.

Portfolios can be comprised of many types of securities, and usually include mutual funds, exchange traded funds or ETFs, and money market accounts. Investment strategies utilizing margin transactions and options are rarely utilized. However, these strategies can be implemented for unique client situations. This is most common when clients already hold investments using these types of strategies when becoming clients of FAC.

Because all types of investments involve certain degrees of risk, they will only be implemented or recommended when they are consistent with your investment objectives, tolerance for risk, liquidity, and suitability.

Client Assets We Manage

As of December 31, 2019, we managed the following assets:

Discretionary Accounts:	\$678,325,644
Non-Discretionary Accounts:	\$120,982
Total:	\$678,446,626

Wealth Management Fee

Item 5

In the marketplace, it is common to see firms charge fees based only on a percentage of investments. Comparing our Wealth Management Fee to this method, our fees in most cases are less than 0.95% per year of a client's investments. There are some unique situations that can result in higher fees on a percentage basis if viewed only as a percentage of investments and not the other factors we use in calculating our Wealth Management Fee. For instance, a client may have a net worth substantially greater than their investment portfolio. In these situations, the fee is based more on comprehensive planning than managing investments.

Our fee for the services we provide is calculated using three components: a base fee, a percentage of net worth/total assets/family worth, and a percentage of investments. These three components are calculated separately, and then added together to determine the total fee that is charged. Our total annual minimum fee is \$9,500. In some situations, our fee is calculated only on investments.

Some current clients have been subject to a previous annual minimum fee which was in effect at the time they entered into an advisory relationship with us. Therefore, our firm's minimum fee will differ among clients. We reserve the right to make exceptions on a case by case basis at times, regarding this minimum annual fee.

Because our fee is asset-based, a conflict of interest could exist. For example, the more assets in your account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the amount of assets in your account.

Item 5 – Fees and Compensation (continued)

1. Base Fee

The base fee is dependent on various subjective factors including:

- Amount of complexity
- Type of investments utilized
- Unique elements
- Additional specific services provided

The base fee may be adjusted for inflation once per year. This adjustment is equal to the percentage change in the Consumer Price Index for the previous calendar year.

The fee schedules for the investments and net worth/total assets/family wealth components listed below are a starting point.

2. Net Worth/Total Assets/Family Wealth

From	To	Percent
\$0	\$1,000,000	0.20%
\$1,000,000	\$5,000,000	0.18%
\$5,000,000	\$10,000,000	0.15%
\$10,000,000	\$20,000,000	0.12%
\$20,000,000	\$50,000,000	0.11%
\$50,000,000	\$100,000,000	0.10%
\$100,000,000	Plus	Custom

3. Investments

From	To	Percent
\$0	\$1,000,000	0.40%
\$1,000,000	\$2,000,000	0.35%
\$2,000,000	\$3,000,000	0.30%
\$3,000,000	\$4,000,000	0.25%
\$4,000,000	\$5,000,000	0.22%
\$5,000,000	\$10,000,000	0.20%
\$10,000,000	\$25,000,000	0.18%
\$25,000,000	Plus	Custom*

*Clients with investments greater than \$25,000,000 have custom fee schedules based on their unique circumstances and the services provided.

Item 5 – Fees and Compensation (continued)

Fee Based on Percent of Investments

Under certain circumstances, an alternative method for charging fees is used for clients who have been with us several years and in some cases still subject to an older fee schedule based only on percentage of investments. These clients receive the same services as described in the Wealth Management Fee. At times, we use this fee schedule at times for new clients. This fee schedule is provided below.

From	To	Amount in Bracket	Percent
\$ -	\$ 1,000,000	\$ 1,000,000	0.95%
\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	0.85%
\$ 2,000,000	\$ 3,000,000	\$ 1,000,000	0.75%
\$ 3,000,000	\$ 4,000,000	\$ 1,000,000	0.65%
\$ 4,000,000	\$ 5,000,000	\$ 1,000,000	0.55%
\$ 5,000,000	\$10,000,000	\$ 5,000,000	0.45%
\$10,000,000	\$25,000,000	\$15,000,000	0.35%
\$25,000,000	Plus		Custom*

*Clients with investments greater than \$25,000,000 have custom fee schedules based on their unique circumstances and the services provided.

Additional Methods in Calculating Our Fee

On rare occasions we will agree to do work on a fee-per-hour basis or for fixed fees. Our hourly billing rates range from \$50.00 to \$325.00 per hour depending on the type of work that is required and the employees of FAC that will need to be involved.

Item 5 – Fees and Compensation (continued)

On the occasion that fees are billed on a per-hour-basis, this work is billed after the work has been completed, and invoiced, usually on a monthly basis. This type of compensation is unusual but has occurred from time to time.

We are willing to consider an adjustment to our fee schedules for unique client situations. We reserve the right to change our fees, as we believe it is necessary. Our intent is to structure our fees “for” the services we will provide rather than charging “on” a particular asset. We believe this allows us to render advice objectively. Discounts are normally provided for charities and non-profit organizations.

Payment of Fees

Fees are billed on a quarterly basis, in advance. Some exceptions to the quarterly system are allowed. Fees can be deducted from your account as provided in the account application. You may change this authorization at any time. You will be provided with a written invoice identifying the amount that is to be deducted. You should verify the calculation of the fee using the invoice we provide. If you decide not to have fees deducted from your account, you may also pay by check.

Other Fees You May Pay

Our recommendations for client investments often include the suggestion to invest in positions such as mutual funds or exchange traded funds (ETFs). Whenever mutual funds are used in a client portfolio, it should be noted that there are certain fees and expenses that are paid directly out of mutual fund investments. These fees are in addition to the fees that are charged by FAC.

These fees and expenses are described in the prospectus of each fund. These fees will generally include:

- A management fee
- Other fund expenses
- A possible distribution fee
- Transaction fee to buy or sell a position

Item 5 – Fees and Compensation (continued)

At any time, we can review with you both the fees charged by the funds and our fees to help you fully understand the total amount of fees to be paid for the advisory services being provided and for your investments.

Refund of Fee

You may terminate our services by expressing this desire in writing at any time. Fees will be due for any work that has been completed up to the date that the written notice is received. However, since fees are paid in advance, we will refund any pro-rata amount for fees that have not been earned in a specific billing period.

A written contract is utilized with each client. This contract specifies the details of the relationship, which includes frequency of the review of the portfolio, frequency of billing, and the applicable fee schedule.

Fee-Only

Operating on a fee-only basis means our only source of compensation is fee income received from our clients. We do not accept compensation for the sale of securities or other investment products. This puts us in the position to serve your best interests, eliminating conflicts often involved with commissions, or other methods of compensation tied to the sale of a product. Our fee is calculated in a way that ties our compensation to your success. This is a key element of the long term partnership we wish to establish with you and other clients.

Retirement Plans

For retirement plan clients, FAC is deemed to be a fiduciary according to the Employee Retirement Income and Securities Act ("ERISA"). Because of this, we are subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we only charge fees for investment advice and services related to that advice and do not receive any commissions or other fees.

Performance-Based Fees and Side-By-Side Management

Item 6

The only fees we receive are from clients as described in Item 5. FAC does not charge performance-based fees. Services provided are the same for all “Wealth Management” clients, even for those clients who have retained our previous fee schedule based on percentage of investments.

Types of Clients

Item 7

FAC provides advisory services to the following types of clients:

- High net worth individuals and families
- Individuals other than high net worth individuals
- Retirement plans
- Non-profit organizations

We do not have initial minimum account size requirements. However, as previously disclosed in item 5, Fees and Compensation, we have a minimum annual fee of \$9,500. For most clients, this fee is appropriate for account sizes with at least \$750,000 to \$1,000,000 in combined investment accounts.

Methods of Analysis, Investment Strategies and Risk of Loss

Item 8

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

Asset Allocation

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity investments, fixed income, and cash suitable to your investment goals and risk tolerance.

Potential Risks

A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash, will change over time due to stock market movements and, if not corrected, will no longer be appropriate for your investment goals.

Mutual Fund and/or ETF Analysis

We look at the experience and track record of the manager of the mutual fund in an attempt to determine if that manager has demonstrated an ability to perform well over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or Exchange Traded Fund (ETF) in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

Potential Risks

A risk of mutual fund and/or ETF analysis is that, as in all security investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future.

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

In addition, we do not control the underlying investments in a fund or ETF. Managers of different funds owned by you may purchase the same security, increasing the risk to you if that security were to fall in value.

There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for your portfolio.

Fundamental Analysis

We attempt to measure the intrinsic value of a security by looking at economic and financial factors including:

- The overall economy
- Industry conditions
- Financial condition and management of the company

These factors help us determine, in our opinion, if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Potential Risks

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

Risks for all Forms of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

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

Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate and consistent with your investment objectives, risk tolerance, time horizons, among other considerations.

Long-Term Purchases

We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- We believe the securities to be currently undervalued, and/or
- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. It is also possible that a security may decline sharply in value before we make the decision to sell.

Short-Term Purchases

When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in an upward swing in the price of the securities we purchase.

Risk of Loss

Investing involves risk of loss, which you will need to be prepared to bear. Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Disciplinary Information

Item 9

Our firm and individual personnel have no disciplinary events to report or disclose.

Other Financial Industry Activities and Affiliations

Item 10

FAC employees and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Our president, Paul Anthes, has another company named "R3 Coaching." This business is an executive coaching program offering practice management tools and personalized instruction to business leaders. This company is unrelated to the financial services industry.

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

Item 11

Code of Ethics

All FAC employees have agreed to and acknowledged, in writing, to abide to a “Code of Ethics.” This Code of Ethics describes FAC’s duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interest of its clients.

A copy of our Code of Ethics is available to all clients or prospective clients upon request.

Personal Trading

Employees are required to disclose reportable transactions in their personal accounts on a quarterly basis. Additionally, employees are required to report securities held in personal accounts on an annual basis. These quarterly transaction reports and annual holding reports are reviewed by the Chief Compliance Officer.

Interest in Client Transactions

In some situations, employees of FAC purchase securities that are also recommended to clients. As a firm, we produce a recommended list of securities that are used for client investments. Employees of FAC are allowed to utilize the research and recommendations produced by the firm for their own investments. Much of this research pertains to mutual funds and ETFs. This trading activity could take place in personal and retirement accounts for employees of our firm.

FAC reserves the right to use corporate funds or employee investment accounts to test investment strategies. In these situations, these portfolios could contain the same investments that our clients would hold in their accounts.

Brokerage Practices

Item 12

Choice of Broker-Dealer

Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. You may choose the custodian/broker or brokers you desire to use for security transactions. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab.

Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Custodians

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions

Item 12 – Brokerage Practices (continued)

- Quality of services
- Responsiveness
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Because of our volume of business, we are able to negotiate lower transaction costs in many situations. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. We exceed this requirement with Schwab but are not committed to Schwab for any specific amount of business (assets in custody or trading). This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise.

In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is

Item 12 – Brokerage Practices (continued)

consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select custodians”).

While FAC will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for your transactions. It is our belief that the commission rates we have negotiated with Schwab are very competitive in the marketplace. This analysis included not only the costs that are involved in transactions, but also includes the benefits that are derived in the area of technology and access to information.

You may request FAC to direct the use of a particular broker-dealer to execute some or all transactions, thereby limiting our ability to achieve best execution. As a result, you may have higher transaction costs, receive less favorable net prices, or pay higher commissions for the account than would otherwise be the case.

Products and Services Available to Us From Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you

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

Services that may not directly benefit you

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

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

Services that generally benefit only us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs

Item 12 – Brokerage Practices (continued)

- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

In some cases, Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Under certain circumstances, Schwab also discounts or waives its fees for some of these services or pay all or a part of a third party's fees. Occasionally, Schwab also provides us with other benefits, such as business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.

We have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

Review of Accounts

Item 13

Investment portfolios are monitored regularly and reviewed on a quarterly basis. Client review meetings may also include updating changes in a client's situation and could involve updating items regarding their financial planning. The frequency of these reviews depends on the client's situation and their desire to receive advice. Most client relationships result in multiple meetings each year. Reviews are performed by:

Mr. Paul G. Anthes as a Wealth Advisor

Mr. Loran J. Filson as a Wealth Advisor

Mr. Andrew J. Roberts as a Wealth Advisor

Mr. Joel Vander Meyden as a Wealth Advisor

Mr. Ryan M. Allen as a Wealth Advisor

Mr. Christopher M. Still as a Wealth Advisor

Any reviews performed by an Associate Wealth Advisor are done under the supervision of a Wealth Advisor.

Accounts are reviewed in the context of your stated allocation targets and investment guidelines. More frequent reviews may be triggered by material changes in variables such as a client's individual circumstances, or the market, political, or economic environment.

In addition to the monthly statements and confirmations of transactions that you receive from the selected custodian, we provide quarterly reports summarizing account balances and holdings. These reports will also remind you to notify us if there have been changes in your financial situation or investment objectives and whether you wish to impose investment restrictions or modify existing restrictions.

Client Referrals and Other Compensation

Item 14

It is FAC's policy not to engage solicitors or compensate anyone for referring potential clients to our firm. It is FAC's policy not to accept or allow employees to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide.

Custody

Item 15

Clients typically grant FAC authority to deduct our fee directly from their custodial account. This ability to deduct our fee from your account causes us to exercise limited custody over your account. In some situations, clients will also grant us authority to access various online accounts when providing service. We do not have physical custody, nor do we take possession, of any of your funds or securities. Your funds and securities will be held with an independent qualified custodian.

In accordance with the regulatory rules regarding custody, an independent public accounting firm conducts an annual audit to examine and review those accounts where we have limited access and deemed to have custody.

Qualified Custodian Requirement

You are required to have a brokerage account in your name with a qualified custodian. All clients are allowed to instruct us to place trades wherever they desire trades to be placed. Most of our clients have accounts with Charles Schwab & Company. As stated in Item 12, Brokerage Practices, we encourage our clients to consider using Schwab for their trades because of the conveniences that are available. Client investment accounts are not commingled.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the custodian is advised of the amount of the fee to be deducted from your account. Because the custodian does not calculate the amount of the fee to be deducted, it is important for you to carefully review your statements to verify the accuracy of the calculation, among other things. You should contact us directly if you believe that there may be an error in their statement.

Item 15 – Custody (continued)

Account Statements

On at least a quarterly basis, the custodian is required to send you a statement showing all transactions within the account during the reporting period.

In addition to the periodic statements that you will receive directly from custodians, we also send account statements directly to you on a quarterly basis. We urge you to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Investment Discretion

Item 16

Almost all clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Having this authority allows us to provide service in managing your investments and applying the strategy of asset allocation on an ongoing basis.

Our discretionary authority includes the ability to do the following without contacting you:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Even though we have this discretionary authority, our general practice is to involve you in our investment recommendations or decisions. We have the ability to tailor our communication with you to meet the desired level of information you want to receive. In most situations, specific asset allocation targets are established, and these targets are considered when making decisions with your investments.

You give us discretionary authority when you sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. You may also change or amend such limitations by once again providing us with written instructions.

Voting Client Securities

Item 17

Clients usually give discretion to FAC to vote proxies for their accounts; however, you always have the right to vote proxies yourself. We will vote proxies related to securities in a manner we believe to be in your best interest. We consider only those factors that relate to the investment, including how the vote will economically impact and affect the value of the investment. Proxy votes generally will be cast in favor of proposals that:

- Maintain or strengthen the shared interests of shareholders and management
- Increase shareholder value
- Maintain or increase shareholder influence over the issuer's board of directors and management
- Maintain or increase the rights of shareholders

Proxy votes generally will be cast against proposals having the opposite effect. We will retain all proxy voting records for the required period of time including:

- A copy of each proxy statement received
- A record of each vote cast
- A copy of any document created by us in that was material to making a decision of how to vote
- A copy of each written client request for information on how we voted

If we have a conflict of interest in voting a particular action, we will notify you of the conflict and obtain consent from you before voting.

Financial Information

Item 18

FAC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client, more than six months in advance of services rendered. Therefore, we are not required to include a Financial Statement.

FAC has not been the subject of a bankruptcy petition at any time during the history of our firm.