



Ballast, Inc.
(formerly Boardman Wealth Planning, Inc.)

Form ADV Part 2A - Disclosure Brochure

Effective: March 25, 2020

This Disclosure Brochure provides information about the qualifications and business practices of Ballast, Inc. (formerly Boardman Wealth Planning, Inc. and herein "Ballast" or "we, our and firm"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (859) 226-0625 or by email at info@ballastplan.com.

Ballast is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Ballast to assist you in determining whether to retain the Advisor.

Additional information about Ballast and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 Material Changes

Summary of Material Changes

Ballast, Inc. has the following material changes to report since our last filing on March 27, 2019.

Ballast, Inc. provides a limited engagement services for plan participants. Clients may hire Ballast for non-discretionary investment advisory guidance on outside accounts. Ballast provides guidance based on your personal situation and financial circumstances. Upon the reasonable request of the Client, the Advisor will assist the Client in determining suitable investment selections available in the Portfolio. In addition, upon the request of the Client, the Advisor will review the Portfolio and will make and communicate to the Client recommendations as the Advisor deems appropriate regarding the purchase, sale, investment, exchange, conversion, and trading of the Portfolio. The Advisor does not have trading authorization thus, it is the Client's sole and ultimate responsibility of implementing the Advisor's recommendations. For more information on the fees for this services please see *Item 5 Fees and Compensation* section below.

We have also updated our Financial Planning services that Ballast, Inc. charges a negotiable rate for broad based financial planning services based upon either an hourly basis of \$200 to \$700 or flat fee (fixed fee) ranging between \$1,000 and \$10,000. The fee-paying arrangements for Financial Planning service will be determined on a case-by-case basis and will be detailed in the signed Financial Planning Agreement. Please see *Item 5 Fees and Compensation* section below for more information.

Additionally we updated the information regarding the Consulting Services Ballast, Inc. Provides. Our Consulting services have always been separately negotiated with the clients and based upon the complexity and size of the outlined project. However, we have updated our fee information to be more transparent about the fee we charge. The fee for these services is based upon a fee that ranges up to \$10,000/monthly or \$30,000/quarterly. When hiring Ballast for consulting services, clients can elect to pay 1) a quarterly or monthly retainer fee, payable in advance; 2) a quarterly or monthly retainer fee based on a percentage of the client's agreed upon Net Worth, not to exceed a maximum of 1%; or 3) a one-time fee, up to 50% payable in advance with the remainder due upon completion of the project. Any outside investment asset accounts that are advised upon are identified within the Financial Planning and Consulting Agreement. All consulting services are agreed to in writing with the client prior to the start of the engagement and can be terminated by either party upon 30 day written notice. We do not require you to pay fees six or more months in advance and in excess of \$1,200. Should the engagement last longer than six months between acceptance of Financial Planning and Consulting Agreement and delivery of the services, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide consulting services rendered to date.

Also, *Item 8 Methods of Analysis, Investment Strategies and Risk of Loss* section below has been updated to provide clients with more information regarding the various investments on which we provide advice and the associated investment risk.

We are proving more transparent information regarding Mutual Fund Share Classes. Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

We are disclosing in the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

We are also disclosing we do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

To be more transparent we have added information that client's should consider in making a determination to roll retirement assets over to an individual retirement account ("IRA").

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. Consistent with the rules, we will ensure that clients receive this page which is a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year if the Ballast, Inc. has material changes to report. Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

You may also request a copy of this Disclosure Brochure, our Code of Ethics or our Privacy Policy at any time, by contacting us at (859) 226-0625 or by email at info@ballastplan.com.

Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 4
Item 4 Advisory Services	Page 5
Item 5 Fees and Compensation	Page 8
Item 6 Performance-Based Fees and Side-By-Side Management	Page 13
Item 7 Types of clients	Page 13
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 13
Item 9 Disciplinary Information	Page 20
Item 10 Other Financial Industry Activities and Affiliations	Page 20
Item 11 Code of Ethics, Participation or Interest in client Transactions and Personal Trading	Page 21
Item 12 Brokerage Practices	Page 22
Item 13 Review of Accounts	Page 24
Review Reports	Page 25
Item 14 Client Referrals and Other Compensation	Page 25
Item 15 Custody	Page 26
Item 16 Investment Discretion	Page 26
Item 17 Voting client Securities	Page 26
Item 18 Financial Information	Page 26
Item 19 Additional Information	Page 27

Item 4 Advisory Services

Introduction and Firm Information

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Ballast.

Ballast, Inc. (formerly Boardman Wealth Planning, Inc. and herein "Ballast" or the "Advisor") is a Registered Investment Advisor with the U.S. Securities Exchange Commission ("SEC"). Ballast commenced operations in 2010. Ballast was organized as an S Corporation under the laws of the Commonwealth of Kentucky in 2008 under the name Boardman Wealth Planning, Inc. and changed its legal name to Ballast, Inc. on April 3, 2015. Ballast is owned and operated by John V. Boardman, III (President), Andrew J. Reynolds (Vice President), Brian Burton (Treasurer), and Cameron Hamilton (Secretary).

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," "us", "Ballast" refer to Ballast, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Investment Management Services

Ballast provides customized, discretionary investment advisory solutions for its clients. This is achieved through continuous personal client contact and interaction. Ballast works with each client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. Ballast will then construct a portfolio, consisting of some or all of the following: mutual funds, exchange-traded funds ("ETFs"), individual stocks and bonds, and options. For clients meeting the requirements intended for accredited investors and for which we believe are suitable, we may recommend investments in alternative products. Alternative investments must be suitable for client's stated investment goals, risk temperament and investment objectives. The alternative investments can range from short term to long term investment vehicles that have various investment objectives including real estate interests offered through public or a private REIT or limited partnership interests.

Ballast's investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the client or due to market conditions. Ballast will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the client. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor.

Pension and Retirement Consulting

Ballast provides investment advisory services to companies with various employee benefit and pension plans ("Plan"). The level of services provided is separately contracted with each plan. We will work with plan trustees/fiduciaries and the third-party administrators ("TPAs") selected by the plans providing investment selection recommendations, periodic review investment selections, analyze the current retirement plan structure, custodian, third party administrator, daily record-keeper, and fees. In addition, Ballast will, if contracted by the Plan also provide a documented process for regular benchmarking of retirement plan features, plan design, fees, and Plan Providers.

The Adviser shall serve as an investment manager of the Plan as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), when it is providing the services described above and acknowledges that it is a fiduciary to the Plan in providing such services. The Adviser does not receive discretionary authority for qualified retirement plan advisory services.

Participant Services

Ballast provides investment advisory services to the participants of 403(b), 457(b) and 401(a) plans custodied at TIAA-CREF and Fidelity. We have discretionary authority, based on participant parameters regarding goals, risks and objectives to determine reallocations as well as investment holdings (as determined by the Plan). In addition, we periodically review investment selections within the plan.

Ballast also provides investment advisement services to the participants of retirement plans such as 401(k) plans, which are custodied outside of our normal custodial relationships. We recommend and periodically review investment selections within the plan to help the participants select what is appropriate for them.

Limited Engagement for Plan Participants

Clients may hire Ballast for non-discretionary investment advisory guidance on outside accounts. Ballast provides guidance based on your personal situation and financial circumstances. Upon the reasonable request of the Client, the Advisor will assist the Client in determining suitable investment selections available in the Portfolio. In addition, upon the request of the Client, the Advisor will review the Portfolio and will make and communicate to the Client recommendations as the Advisor deems appropriate regarding the purchase, sale, investment, exchange, conversion, and trading of the Portfolio. It is the Client's sole and ultimate responsibility of implementing the Advisor's recommendations.

Financial Planning and Consulting Services

We offer financial planning and consulting services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of one's financial situation. Business consulting services are customized to the needs of the business and its owners. Financial planning and business consulting services are based on your situation.

If you retain our firm for financial planning or consulting services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will either deliver a written plan to you, or meet with you to discuss a plan, designed to help you achieve your stated financial goals and objectives. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Financial planning service may be offered to clients on either a one-time service or on an hourly basis. For consulting or ad-hoc engagements that do not encompass a complete plan, the Advisor generally does not provide a written report.

Ballast does not provide legal or tax advice and clients should speak to their accountant, attorney or other specialist, as appropriate for their unique situation. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly. Our firm will not charge a fee in excess of \$1200 more than six months in advance of services rendered.

You are under no obligation to act on our financial planning or consulting recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm. Implementation of the plan is solely at the client's discretion. Typically, as many Investment Advisers that offer financial planning and investment management services, we will recommend clients execute the plan through Ballast. These types of recommendations pose a potential conflict between the interests of our firm and the interests of the client. For example, a recommendation to engage the advisor for investment management services or to increase the level of investment assets with the advisor would pose a conflict, as it would increase the advisory fees paid to the advisor. Clients are not obligated to implement any recommendations made by Ballast or maintain an ongoing relationship with our firm.

Third Party Managed Account Programs

For a small number of accounts, Ballast may recommend to clients that all or a portion of their portfolio be implemented by utilizing one or more unaffiliated money managers participating TD Ameritrade's Unified Managed Account Exchange Program, Envestnet (Program Sponsor) which is a wrapped fee managed account program. TD Ameritrade will act as the broker/dealer and custodian for these services. The client will enter into a program and investment advisory agreement with the Program Sponsor and the participating money manager[s]. The Advisor will assist and advise the client in establishing investment objectives for the account[s], the selection of the money manager[s], and defining any restrictions on the account[s]. Ballast will continue to provide oversight of the client account[s] and ongoing monitoring of the activities of the unaffiliated money managers. Ballast, in most cases will have discretion in choosing the third-party money manager and has authority, by written agreement with the client, to switch managers inside the program.

The specific money manager will develop an investment strategy to meet the client's objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the Program Sponsor will charge a program fee that includes the investment advisory fee of the money managers, the administration of the program and trading, clearance and settlement costs.

The client, prior to entering into an agreement with a Program Sponsor, will be provided with the Program Sponsor's Form ADV Part 2 (or a brochure that makes the appropriate disclosures). In addition, Ballast and its client will agree in writing that that selected Program Sponsor will manage the client's account[s] on a discretionary basis.

Types of Investments

We offer advice on equity securities, warrants, corporate debt securities, certificates of deposit, municipal securities, annuities, mutual fund shares, United States government securities, options contracts on securities, money market funds, real estate, REITs, ETFs, interests in partnerships investing in real estate and interests in partnerships investing in oil and gas interests.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management

As of December 31, 2019, Ballast manages the following assets:

Discretionary Assets	\$ 278,686,575
Non-Discretionary Assets	\$ 7,894,536
Total	\$ 286,581,111

Item 5 Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by Ballast. Each client shall sign an investment advisory agreement, financial planning agreement, or consulting agreement that details the responsibilities of Ballast and the client.

Fees for Advisory Services

Investment Management Services Fees

Ballast will receive an annualized investment management fee, paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment management fees are based on a tiered range from 1.75% to 1.15%. The following schedule is negotiable based upon certain circumstances, at the discretion of the advisor: in certain circumstances, Ballast will grandfather certain clients whose accounts were opened and remain effective through the newly executed advisory contract.

Assets Under Management	Maximum Fee
\$0 - \$100,000.00	1.75%
\$100,000.01 - \$250,000.00	1.60%
\$250,000.01 - \$500,000.00	1.50%
\$500,000.01 - \$1,000,000.00	1.35%
\$1,000,000.01 - \$3,000,000.00	1.25%
\$3,000,000.01 - \$5,000,000.00	1.15%
\$5,000,000.01+	Negotiable

Clients have provided Ballast with written permission to direct qualified custodians to directly debit fees from clients' accounts held with the qualified custodian. Under separate agreement, some clients may have fees directly invoiced, where direct debiting would not be considered. Investment Management Fees will be calculated and paid to Ballast each calendar quarter in advance based on the value of the Portfolio on the last business day of the previous quarter. The Management Fee will be prorated for deposits and withdrawals of \$100,000 or more. If management of the Portfolio begins after the start of a quarter, the Investment Management Fee will be prorated accordingly. Either Client or Adviser may terminate the agreement upon 30 days written notice. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the Portfolio

was managed, and any fees due to the Adviser will be invoiced or deducted from the assets in the Portfolio prior to termination. The client's fees will take into consideration the aggregate assets under management with Advisor.

The University of Kentucky requires that all negotiated fees of University of Kentucky Non-ERISA Plans be capped at a stated percentage. Ballast will adhere to the stated maximum fee and will not charge more than the maximum fee on those specific accounts. As these accounts have a built-in cap, the accounts will not be included for household breakpoint calculation of assets outside of the University of Kentucky plan. For purposes of the Investment Management Fee calculations, "value of the Portfolio" means the sum of the fair market value of all of the billable holdings in the Portfolio. Equity securities listed or traded on a national securities exchange or quoted on the over-the-counter market are valued at the last sales price on the day of valuation or, if no sale price is reported, at the last bid price. Other assets and securities for which market quotations are not readily available are valued at fair market value as determined in good faith by the Adviser.

Accounts may be "householded" for billing purposes to help a client achieve a breakpoint in Ballast fees. House- holding includes all accounts for a client and the client's family members, as indicated by Ballast. Exceptions may occur at our sole discretion.

Clients should be aware that the investment management fee does not include transfer fees, or margin interest and any commissions and mark-ups/mark-downs on transactions directed to other broker/dealers as well as any specialized custodial account charges such as IRA account fees. This amount may vary in special situations and will be disclosed to client. The fees charged are negotiable in situations where client's portfolio size begins outside our published fee brackets or in other situations deemed appropriate by us in our sole discretion.

Pension and Retirement Consulting Fees

In connection with its pension consulting services, Ballast charges annual asset-based fees, subject to the fee schedule above, which is negotiable. Ballast's advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis. Negotiated fees are generally based on the value of the plan's assets and the complexity of the plan. In lieu of asset-based fees, we may agree to a fixed fee structure for pension consulting services, when specifically requested by the Plan or as directed in plan documents.

You may terminate the pension consulting services agreement upon 30-day written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

As previously noted, fees are negotiated based on the size and complexity of the plan, among other things. These fees are either directly debited from the Client's account by the record-keeper, TPA, or custodian or billed directly to the Client, and are payable in advance or in arrears, as separately negotiated with each client.

Participants in plans should note that the Plan's Third-Party Administrator ("TPA") or qualified custodian sends a statement that includes the value of a participant's investments, our advisory fee, and how it is calculated. TPAs and custodians do not verify the accuracy of fee calculations. Clients should review these statements and compare them with the agreement to verify the accuracy of calculation of our fees.

Limited Engagement for Plan Participants Fees

When Clients hire Ballast for non-discretionary investment advisory guidance on outside accounts, Ballast will charge a consulting fee for such advice. The fee may be a percentage of the account value. All fees are negotiable and subject to the maximum fee schedule listed above in this section.

ERISA / Pension Protection Act of 2006 (PPA):

We may also have IRA accounts or other retirement accounts that are subject to the Pension Protection Act of 2006 (PPA). In all cases, an "eligible investment advice arrangement" or advisory agreement will be executed with the client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account based on a level fees basis which means the fees will not vary depending on the basis of the investment option selected.

The amount of compensation and other consideration reasonably anticipated to be paid, directly or indirectly, to us, our Affiliates or Related Entities for their services in connection with the Recommendation(s) is not in excess of reasonable compensation within the meaning of ☐ 4975(d)(2) of the Code and ERISA Section 408(b)(2).

Financial Planning Services

We charge a negotiable rate for broad based financial planning services based upon either an hourly basis of \$200 to \$700 or flat fee (fixed fee) ranging between \$1,000 and \$10,000. The fee-paying arrangements for Financial Planning service will be determined on a case-by-case basis and will be detailed in the signed Financial Planning Agreement. Our rates are based on a variety of factors including, but not limited to, the complexity of your financial situation and the scope of services provided. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. We do not require you to pay fees six or more months in advance and in excess of \$1,200. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date. We require that you pay at least 50% of the fee in advance, and any remaining portion is due upon the completion of the services rendered.

The hourly fee will be disclosed to you prior to services being provided and will also be included in the client agreement. An estimate of the number of hours needed to complete the requested services will also be provided to the client prior to establishing the advisory relationship. All financial planning fees are agreed to in writing with the client prior to the start of the engagement. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. We also offer advice on single subject financial planning services at the same hourly rate.

Clients engaging Ballast for investment management services may have a portion or all of the financial planning fee waived, at the sole discretion of the firm.

Clients may terminate the financial planning agreement upon 30 days written notice to our firm. In the event that a client should wish to cancel the financial planning agreement under which any plan is being created, the client shall be billed for actual hours logged on the planning project times the agreed-upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the client within 5 business days of cancellation.

Consulting Services

Consulting services are also separately negotiated with the clients and based upon the complexity and size of the outlined project. The fee for these services is based upon a fee that ranges up to \$10,000/monthly or \$30,000/quarterly. When hiring Ballast for consulting services, clients can elect to pay 1) a quarterly or monthly retainer fee, payable in advance; 2) a quarterly or monthly retainer fee based on a percentage of the client's agreed upon Net Worth, not to exceed a maximum of 1%; or 3) a one-time fee, up to 50% payable in advance with the remainder due upon completion of the project. Any outside investment asset accounts that are advised upon are identified within the Financial Planning and Consulting Agreement. All consulting services are agreed to in writing with the client prior to the start of the engagement and can be terminated by either party upon 30 day written notice. We do not require you to pay fees six or more months in advance and in excess of \$1,200. Should the engagement last longer than six months between acceptance of Financial Planning and Consulting Agreement and delivery of the services, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide consulting services rendered to date.

Clients choosing a retainer-based fee arrangement for consulting services can elect to have the fee based on the client's estimated net worth, as described previously and as agreed to by the client in writing. This fee structure is offered to clients with outside assets that they wish to be advised on by Ballast, as well as clients who need ongoing advice and guidance on other financial situations. Fees assessed as a percent of net worth are calculated annually and charged quarterly or monthly. Fees are due within thirty (30) days of the first day of the quarterly/monthly cycle, with the first installment payable when this Agreement is executed. The Adviser will reassess the retainer fee net worth calculation annually based on year-end data and an updated fee calculation will be agreed to in writing by both parties, if necessary. Should a new relationship begin within the calendar year, the fee will be prorated through the end quarter in which the contract is signed. Remaining quarters will be assessed 25% of the retainer fee through year-end. This consulting fee arrangement stays in effect until terminated by either the client or Ballast.

The consulting servicing fees will generally be paid via direct debiting from a qualified custodian at which the Client and Advisor both have a relationship or via directly billed to the client for payment. Payment is authorized and outlined in writing in each client's Consulting Agreement.

In the event that a client should wish to cancel the consulting agreement, the client shall be billed for actual work completed for a fixed/hourly fee arrangement. Any unearned fee as the result of collecting a deposit at the time of signing the consulting agreement will be returned to the client within 5 business days of cancellation. If the Client hires Ballast on a retainer basis, the fee collection will terminate upon either party's 30-day notice to terminate the relationship. No further fees will be charged after the 30-day period expires. In addition, the client may terminate the agreement within five (5) days of signing the Advisor's consulting agreement at no cost to the client. After the five-day period, the client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client.

Third Party Managed Account Programs Fees

Fees for clients participating in third party managed account programs (described in Item 4) will be charged a separate fee from the Program Sponsor, which includes the platform fee and the fees paid the respective manager[s]. The Program Sponsor will generally calculate and deduct its fees quarterly in arrears. The Program Sponsor will charge a program fee that includes the investment advisory fee of the money managers, the administration of the program and trading, clearance and settlement costs. The Program Sponsor and manager fees are billed separately from the Advisor's fee. The

overall fee (including the Advisor's investment advisory fee) will not exceed 3% annually. Ballast does not receive any compensation from these unaffiliated money managers or the Program Sponsor, other than Ballast's investment advisory fee.

In the event that a client should wish to terminate their relationship with a managed accounts program or unaffiliated investment advisor, the terms for termination will be set forth in the respective agreements between the client and those third parties. Ballast will assist the client with the termination and transition as appropriate.

Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Ballast, in connection with investment made on behalf of the client's account[s]. The client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by Ballast is separate and distinct from these custodian and execution fees. Please refer to Item 12, Brokerage Practices for additional information concerning the Adviser's brokerage and custodial arrangements.

In addition, all fees paid to Ballast for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A client could invest in these products directly, without the services of Ballast, but would not receive the services provided by Ballast which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial situation and objectives. Accordingly, the client should review both the fees charged by the fund[s] and the fees charged by Ballast to fully understand the total fees to be paid.

Clients will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom clients account transactions are executed. Ballast does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost clients will incur, clients should review all the fees charged by mutual funds, exchange traded funds, Ballast, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

Advance Payment of Fees and Termination

Either party may terminate its respective agreement at any time by providing thirty (30) days written notice to the other party. In addition, the client may terminate the agreement within five (5) days of signing the Advisor's financial planning or consulting agreement at no cost to the client. After the five-day period, the client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client.

Where Ballast is compensated for its services in advance of the quarter in which investment advisory services are rendered, clients may request to terminate their investment advisory agreement with Ballast, in whole or in part, by providing thirty (30) days advance written notice. The client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid Investment Advisory Fees from the effective

date of termination to the end of the quarter. Refunds will occur no greater than 30 days following the quarter in which the termination occurred. The client's investment advisory agreement with the Advisor is non-transferable without the client's written approval.

In the event that a client should wish to cancel the financial planning agreement under which any plan is being created, the client shall be billed for actual hours logged on the planning project times the agreed-upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the client within 5 business days of cancellation.

We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

Compensation for Sales of Securities

Certain personnel of Ballast are also registered representatives of a broker-dealer and/or agents of insurance companies. As such, these individuals are entitled to receive separate, yet customary compensation for the sale of securities or insurance products. In addition, these individuals may be entitled to 12b1 or other related revenue generated from the sale of brokerage and insurance products. Additional information about these affiliations and the conflicts they present is outlined in Item 10 of this disclosure brochure.

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

Ballast does not charge performance-based fees for its investment advisory services. The fees charged by Ballast are as described in Item 5 - Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any client. Ballast does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its clients.

Item 7 Types of clients

Ballast provides investment advisory services to the following types of clients:

- Individuals - private investors, investing their personal assets;
- High Net-Worth Individuals - such as accredited investors, endowments, trusts and estates;
- Corporations and Businesses - taxable business entities, investing cash reserves; and
- Pensions and Profit-Sharing Plans - not limited to 401k, 403b and 457b.
- Charitable Organization - Non-Profit Organization and Foundations

Ballast generally does not impose a minimum account size for establishing a relationship.

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

Methods of Analysis

Ballast primarily employs fundamental and technical analysis methods in developing investment strategies for its clients. Research and analysis from Ballast is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. Fundamental analysis criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. The technical indicators that the firm may consider include, but are not limited to, price, volume, momentum, relative strength, sector/group strength and moving averages. Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly-managed or financially unsound company may underperform regardless of market movement.

Investment Strategies

As noted above, Ballast generally employs a long-term investment strategy for its clients, as consistent with their financial goals. Ballast will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of clients. At times, Ballast may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class.

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Commercial Paper: Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the

issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Real Estate: Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher

terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnership have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

Warrants: A warrant is a derivative (security that derives its price from one or more underlying assets) that confers the right, but not the obligation, to buy or sell a security - normally an equity - at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price. Warrants that confer the right to buy a security are known as call warrants; those that confer the right to sell are known as put warrants. Warrants are in many ways similar to options. The main difference between warrants and options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. Warrants do not pay dividends or come with voting rights.

Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.

- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Short Sales

A short sale involves the sale of a security that the client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the

client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Alternative Investments (REITs and Limited Partnerships)

The performance of alternative investments such as REITs and limited partnerships, can be volatile and these types of investments generally have very limited liquidity. An investor could lose all or a substantial portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. These types of investments are meant only for sophisticated investors who are also considered "accredited" investors and have not less than one (1) million dollars in investable assets with our firm.

Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Ballast will assist clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client will meet their investment goals.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each client should understand and be willing to bear. Clients are reminded to discuss these risks with their designated Financial Advisor.

Item 9 Disciplinary Information

There are no legal, regulatory or disciplinary events involving Ballast or any of its employees. Ballast and its advisory personnel value the trust you place in us. As we advise all clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. To review the firm information contained in Form ADV Part 1, select the option for "Investment Adviser Search", then selecting "Firm" and enter 152695 in the field labeled "Firm Name or CRD# or SEC#". This will provide access to Form ADV Parts 1 and 2. Item 11 of the Form ADV Part 1 lists legal and disciplinary disclosure questions.

Item 10 Other Financial Industry Activities and Affiliations

Ballast, Inc. is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer unless specifically stated in this document.

Broker-Dealer Affiliation

Certain advisory persons of Ballast are also registered representatives of APW Capital, Inc. ("APW") of Rockaway, New Jersey. APW is a registered broker-dealer (CRD No. 43814), member FINRA, SIPC. In their separate capacity as registered representatives, these advisory persons will typically receive commissions, trailers, 12b-1 fees and other transactional based compensation for the implementation of recommendations for commissionable transactions. Thus, a conflict of interest exists between the interests of the advisory persons and those of our advisory clients since the commission may be in excess of what the advisory persons would have received for advisory services. However, clients are not obligated to implement any recommendation provided by an advisory person of Ballast.

Insurance Agency Affiliations

Advisory Persons of Ballast may also serve as sales agent for various insurance companies. This activity is performed separate and apart from their advisory role with Ballast. As insurance professionals, advisory persons may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by the Advisor or its advisory persons.

Mitigation

We take the following steps to address conflicts of interest:

- we disclose to clients the existence of these types of material conflicts of interest, including the potential for advisory persons to earn commissions from the sales of securities and insurance products;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the

need for having a reasonable and independent basis for the investment advice and recommendations provided to clients.

Ballast maintains relationships with several broker-dealers. While clients are free to choose any broker-dealer or other service provider as their custodian, Ballast recommends clients establish an account with a brokerage firm with which Ballast has an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage client account(s). For more information on these brokerage services please see below the section, *Brokerage Practices*.

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

Code of Ethics

Ballast has implemented a Code of Ethics that defines our fiduciary commitment to each client. This Code of Ethics applies to all persons associated with Ballast. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our client. Ballast and its personnel owe a duty of loyalty, fairness and good faith towards each client. It is the obligation of Ballast associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (859) 226-0625 or via email at info@ballastplan.com.

Personal Trading with Material Interest

Ballast allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of clients. Ballast does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. Ballast does not have a material interest in any securities traded in client accounts.

Personal Trading in Same Securities as Clients

Ballast allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, employees of Ballast may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its clients can potentially be violated if personal trades are made with more advantageous terms than client trades, or by trading based on material non-public information. This risk is mitigated by Ballast requiring reporting of personal securities trades by its employees for review by the employee's supervisor or the CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

In addition, the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

Personal Trading at Same Time as Client

While Ballast allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of clients, such trades are typically aggregated with client orders or traded afterwards.

At no time, will Ballast or any associated person of Ballast, transact in any security to the detriment of any client.

Principal and Agency Cross Transactions

Ballast will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account[s]) or agency cross transactions with other client accounts (i.e., purchase of a security into one client account from another client's account[s]).

Item 12 Brokerage Practices

Recommendation of Custodian[s]

Although Ballast does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services, we typically recommend clients utilize TD Ameritrade. For certain retirement accounts, Ballast will either be directed to use or recommend the use of TIAA CREF or Fidelity. The client will select the broker-dealer or custodian (herein the "custodian") to safeguard client assets and authorize Ballast to direct trades to this custodian as agreed in the investment advisory agreement. Further, Ballast does not have the discretionary authority to negotiate commissions on behalf of our clients on a trade-by-trade basis.

Ballast typically recommends to clients that they established their brokerage account[s] at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (herein "TD Ameritrade"), TIAA CREF Financial Services ("CREF") or Fidelity Investments ("Fidelity"). TD Ameritrade, CREF and Fidelity are independent and unaffiliated SEC-registered broker-dealers and FINRA/SIPC members. TD Ameritrade, CREF and Fidelity offer to independent investment advisors their services, which include custody of securities, trade execution, clearance and settlement of transactions. Ballast receives some benefits from TD Ameritrade, CREF and Fidelity through its participation in their programs.

Following are additional details regarding the brokerage practices of the Advisor:

Ballast will receive benefits from recommending TD Ameritrade, CREF or Fidelity, such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Other services may include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, 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 the Adviser may contract directly. Ballast utilizes these services for the benefit of all client accounts and not just to those accounts held with the specific qualified custodian.

This non-monetary compensation may result in a conflict of interest between the Advisor and the client as Ballast could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

In the past, Ballast received soft dollar compensation from TD Ameritrade. In early 2017, Ballast ended its use of soft dollars as interpreted under Section 28(e) of the Securities Exchange Act of 1934. Section 28(e).

Participation in Institutional Advisor Platform

As disclosed in Item 12 above, Ballast participates in TD Ameritrade's institutional program and may recommend any one of them to clients for custody and brokerage services. There is no direct link between Ballast's participation in the program and the investment advice it gives to its clients, although Ballast receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and 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; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Ballast by third party vendors.

Some of the products and services made available by TD Ameritrade through the institutional program may benefit Ballast but may not benefit its client accounts. These products or services may assist Ballast in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Ballast manage and further develop its business. The benefits received by Ballast or its personnel through participation in the institutional program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to its clients, the Ballast endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Ballast or its advisory persons in and of itself creates a potential conflict of interest and may indirectly influence the Ballast's recommendation of TD Ameritrade for custody and brokerage services.

- **Best Execution** - We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission 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, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.
- **Brokerage Referrals** - Ballast does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
- **Directed Brokerage** - Aside from the recommended qualified custodians previously discussed, Ballast will on occasion accept and place trades within the established account[s] at the custodian designated by the client. If you elect to select your own broker-dealer or custodian and direct us to use them, you may pay higher or lower fees than what is available through our relationships. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer or custodian for this type of directed brokerage account, unless we

believe that such rate is unfair or unreasonable for the size and type of transaction. In all instances, we will seek best execution for you. If you elect to select your own broker-dealer or custodian and direct us to use them, you may pay higher or lower fees than what is available through our relationships. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer or custodian for this type of directed brokerage account. Directed brokerage trades are usually executed separately and we may not aggregate such transactions.

Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, and 3) difficulty of execution,. Ballast may aggregate orders in an aggregated trade when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If an aggregated trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

Frequency of Reviews

Investment Management and Third-Party Managed Accounts are monitored on a regular and continuous basis by the Director of Portfolio Research, the President, the Vice President and/or any Financial Advocate of the Adviser. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the client.

Causes for Reviews

In addition to the investment monitoring noted above, each client account shall be reviewed depending on the needs of the client. Reviews may be conducted more or less frequently at the client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the client's financial situation, and/or large deposits or withdrawals in the client's account[s]. The client is encouraged to notify Ballast if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

Review Reports

The client will receive trade confirmations, holdings and activity statements no less than quarterly from their appointed qualified custodian or in the case of Plan Participants, the Plan. These statements are sent directly from the qualified custodian to the client. The client may also establish electronic access to the qualified custodian's website so that the client may view these reports and their account activity. The Advisor may also provide clients with periodic reports regarding their holdings, allocations, and performance, if separately contracted by the client, or upon client request.

Pension Plan Reviews and Reporting

Ballast, if separately contracted by the Plan, will provide quarterly performance reports to the Plan Sponsors that detail the overall performance of the plan's assets and a detailed list of the investment holdings. The reports track the progress of the mutual funds and money market funds selected as Plan investment options with comparisons to appropriate peer groups and benchmark indices. Reports are prepared and reviewed by the designated financial consultant working with the Plan.

Financial Plans and Consulting Reviews and Reporting

Financial Planning clients will receive the plan, as contracted for in their separate agreement. No further reviews will be provided, unless separately contracted for by the client. Consulting clients will not receive reports unless separately contracted by in the client's agreement. As noted above, consulting or ad-hoc engagements that do not encompass a complete plan, the Advisor generally does not provide a written report.

Item 14 Client Referrals and Other Compensation

Compensation Received by Ballast

Broker-Dealer Affiliation

Certain advisory persons are also registered representative of APW as noted in Item 10. In their separate capacity as registered representatives, advisory persons will typically receive commissions for the implementation of recommendations for commissionable transactions. In addition, these individuals are eligible for incentives, bonuses and awards from the broker/dealer.

Insurance Agency Affiliations

Advisory persons may also serve as sales agents for various insurance companies. This activity is done separate and apart from their advisory roles with the Ballast. As an insurance agent, an advisory person may receive customary commissions and other related incentive payments, awards and revenues from the various insurance companies whose products are sold.

Client Referrals from Solicitors

Ballast does not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

All clients must place their assets with a qualified custodian, as directed in the client's agreement with Ballast. The client's agreement permits Ballast to directly debit fees from the qualified custodian. Ballast has no authority to debit accounts for any other purposes. This ability to deduct our advisory fees from client accounts causes our firm to exercise limited custody client funds or securities. We do not have physical custody of any of our client funds and/or securities. Client funds and securities will be held with a qualified custodian. Also, clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The account statements from client custodian(s) will indicate the amount of our advisory fees deducted from client account(s) each billing period. Clients should carefully review these statements for accuracy, as the custodian or bank does not calculate the Ballast's fee. Any discrepancies or concerns should be promptly addressed with the client's Financial Advocate or the Chief Compliance Officer.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Ballast generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Ballast. Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Ballast will be in accordance with each client's investment objectives and goals. Ballast does not have discretion over the accounts under the retainer services program. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting client Securities

Ballast does not accept proxy-voting responsibility for any client.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

Neither Ballast, nor its management, have any adverse financial situations that would reasonably impair the ability of Ballast to meet all obligations to its clients. Neither Ballast, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Ballast is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

Item 19 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.

- b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
- 3. Our strategy may have higher risk than the option(s) provided to you in your plan.
- 4. Your current plan may also offer financial advice.
- 5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
- 6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
- 7. You may be able to take out a loan on your 401k, but not from an IRA.
- 8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- 9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.