

Form ADV Part 2A - Disclosure Brochure

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This Disclosure Brochure provides information about the qualifications and business practices of Frazier Financial Consultants, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact us at: 919-929-6940 or by email at: frazierfc@nc.rr.com.

Frazier Financial Consultants is a Registered Investment Adviser. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training.

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

ITEM 2 - MATERIAL CHANGES

Annual Update

This section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The firm has no material changes to report since the Firm's last ADV annual update of March 7, 2019.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 919-929-6940 or by email at: frazierfc@nc.rr.com.

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ITEM 4 - ADVISORY BUSINESS

Description

Frazier Financial Consultants, LLC ("FFC" or "The Firm") was founded in 1986 by Deborah Frazier. The Firm's corporate status was changed to an LLC in December 2007. Deborah Frazier is the Firm's managing member and Chief Compliance Officer. Richard Frazier is also a member of the Firm.

FFC provides personalized confidential financial planning and investment management to individuals, small business' profit-sharing plans, trusts, estates, and charitable organizations. Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

FFC is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

FFC does not act as a custodian of client assets. FFC places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

FFC hereby acknowledges that it is a "fiduciary" when the firm's services are subject to the provisions of ERISA of 1974, as amended.

Types of Advisory Services

FFC provides financial planning and on-going investment supervisory services, also known as asset management services. For asset management clients, a written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

For clients receiving financial planning only, those services are complete at the presentation of the financial plan or advice. No on-going oversight is provided as a part of the Firm's financial planning services. The client has the sole responsibility to implement any recommendations made in a financial plan.

On more than an occasional basis, FFC furnishes advice to clients on matters not involving securities, such as taxation issues, and trust services that often include estate planning.

Types of Agreements

The following agreements define the typical client relationships:

Advisory Service Agreement

Most clients choose to have FFC manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their minor children. The engagement includes cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

Realistic and measurable financial goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

Assets are invested primarily in stocks, no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Stocks and bonds may be purchased or sold through a brokerage account when appropriate. Investments may also include equities (stocks), certificates of deposit, fixed income securities, investment company securities, variable annuities, and U. S. government securities. Initial public offerings (IPOs) are not available through FFC.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or FFC may terminate an Agreement by written notice to the other party.

Tax preparation work for your CPA is performed as part of the Advisory Service Agreement.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed. The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Investment advice is provided as part of a financial plan. However, implementation of the advice is at the sole discretion of the client. Specific investment recommendations are only provided to clients under an advisory services agreement that includes on-going investment management. For clients receiving financial planning services under an hourly engagement, we provide only general asset allocation models for investment purposes.

Services for financial planning only clients are complete upon presentation of the financial plan or advice. After delivery of a financial plan, future face-to-face meetings may be

scheduled as necessary for up to one month, without additional charge. Follow-up implementation work after thirty days is billed at the rate of \$200 per hour.

Termination of Agreement

If a Client has not received FFC's Brochure at least 48 hours prior to executing an advisory agreement the Client shall have five business days from the date of signing the agreement to terminate FFC's engagement without penalty or fee. After five days, a Client may terminate any of the agreements at any time by notifying FFC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, FFC will refund promptly any unearned portion of the advance payment.

FFC may also terminate any of the agreements at any time by notifying the client in writing. FFC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in FFC's judgment, to providing proper financial advice.

Wrap Fee Programs

FFC does not participate in any wrap fee program.

Assets Under Management

As of December 31, 2019, FFC managed \$130,521,555 in assets on a discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fee:

Clients receiving advisory services that include on-going investment management services, FFC's fee is an annual fee based on the assets under management, charged on a quarterly basis.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

.80% on the first \$1,000,000;

.65% on the next \$1,000,000; and

.50% on assets above \$2,000,000

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

FFC charges a reduced advisory fee for assets held in an employer sponsored retirement plan. Investment management services for these "held away" assets are charged an annual fee of .25% on the assets.

Hourly Financial Planning Fee:

FFC charges an hourly fee for clients electing to receive financial planning services only. FFC charges the first two hours at an hourly rate of \$250/hour, billed in fifteen-minute increments. The balance of the planning work performed is charged at a rate of \$200/hour.

Fees are *NEGOTIABLE*. FFC, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Fee Billing

Investment management fees are billed quarterly, in *ADVANCE*, meaning that we invoice you *BEFORE* the three-month billing period begins. Fees are usually deducted from a designated client account. The client must consent in advance to direct debiting of their investment account. The Firm sends the client a billing summary each time the fee is deducted from the client's account showing the amount of the fee, the period the fee covers, and the amount of assets the fee is based on.

Hourly fees charged for financial planning are billed upon delivery of the financial plan or advice at the last meeting.

Other Fees and Expense Ratios

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. The brokerage firm charges a fee for stock and bond trades.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

FFC does not receive any compensation, in any form, from fund companies or custodians. These fees are in addition to the fees paid by you to FFC.

Fees at Termination of Agreement

At termination, fees will be billed or refunded on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

ITEM 6 - PERFORMANCE BASED FEES

Fees are not based on a share of the capital gains or capital appreciation of managed securities. FFC does not use a performance-based fee structure.

ITEM 7 - TYPES OF CLIENTS

Description

FFC generally provides investment advice to individuals, trusts, estates, and charitable organizations. Client relationships vary in scope and length of service.

Account Minimums

There are no account minimums required and no minimum fee applied.

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

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that FFC may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the internet.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases and short-term purchases of securities.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

ITEM 9 - DISCIPLINARY INFORMATION

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Financial Industry Activities

FFC does not operate as an investment custodian or broker dealer.

Affiliations

FFC has no outside affiliations material to its business.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**Code of Ethics**

The employees of FFC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

FFC does not recommend or buy or sell securities for Clients' accounts in which FFC or any of its employees have a material financial interest in. FFC and its employees may buy or sell securities that are also held by clients. These holdings are in widely held stocks or mutual funds where employee's purchases do not move prices.

Personal Trading

The Chief Compliance Officer of FFC is Deborah Frazier. She reviews all personal employee trades each quarter. Her trades are reviewed by Richard Frazier. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment in their accounts when members of FFC and a client hold the same security. Since most employee trades are small mutual fund trades or exchange-traded fund trades the conflict in holding the same security is mitigated.

ITEM 12 - BROKERAGE PRACTICES**Selecting Brokerage Firms**

FFC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. FFC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. FFC recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab and TD Ameritrade.

Best Execution

FFC reviews the execution of trades at each custodian to ensure clients are receiving best execution.

Soft Dollars

FFC receives a software maintenance discount from Morningstar Office from Charles Schwab & Company because some client assets are custodied at Schwab. All clients benefit from this credit as it reduces the firm's overall expenses. The selection of Charles Schwab & Company as a custodian for clients is not affected by this nominal credit.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. We typically do not aggregate trades or buy in block trades.

ITEM 13 - REVIEW OF ACCOUNTS**Periodic Reviews**

Account reviews are performed quarterly by Deborah Frazier and Richard Frazier to consider the clients' current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's situation.

Regular Reports

Clients receive account statements from their account's custodian on a quarterly basis, monthly if there has been activity in the account. Advisory Service Agreement clients receive written quarterly updates from the Firm as well that may include a net worth statement, holdings in the account(s), and performance of the account. Clients are urged to compare the information contained in the Firm's reporting with the information appearing in their account statements from the custodian,

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**Incoming Referrals**

FFC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

FFC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

ITEM 15 - CUSTODY**Account Statements**

All assets are held at qualified custodians. FFC does not maintain custody over clients' cash or securities except as to the direct debiting of the advisory fee from the client's account. The client approves the direct debiting of the fee in their agreement with FCC.

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by the Firm.

ITEM 16 - INVESTMENT DISCRETION

Discretionary Authority for Trading

FFC accepts discretionary authority to manage securities accounts on behalf of clients. Meaning, we have the authority to make the selection of the securities held in client's accounts and their amount, without prior consultation with the client. However, it is our policy that whenever possible, we contact the clients before any investments are made for their accounts.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may execute the trades in their account. The limited power of attorney is provided by the custodian you will hold your accounts at.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Votes

FFC does not vote proxies on securities. Clients are expected to vote their own proxies. The client may receive proxies or other similar solicitations directly from the client's selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not generally forward these on or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

When assistance on voting proxies is requested, FFC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

We also have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise, or monitor class action or other litigation involving client assets. Further, we will not offer or provide guidance on these matters; clients should contact the issuer or their legal counsel.

ITEM 18 - FINANCIAL INFORMATION

Financial Condition

FFC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because FFC does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.