

# FORMADVISORYGROUP

## Form Advisory Group LLC

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FORM ADV PART 2A  
BROCHURE

This brochure provides information about the qualifications and business practices of Form Advisory Group LLC. If you have any questions about the contents of this brochure, contact us at 615-500-1478. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Form Advisory Group LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Form Advisory Group LLC is a registered investment adviser with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC or any state securities authority does not imply any certain level of skill or training.

## ITEM 2: SUMMARY OF MATERIAL CHANGES

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. There are no changes as the date of this filing.

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## ITEM 4: ADVISORY BUSINESS

### Description of Firm

Form Advisory Group LLC is a SEC-registered investment adviser based in Nashville, Tennessee. We are organized as a limited liability company under the laws of the State of Tennessee. We have been providing investment advisory services since December 2018.

Brandon Rashard Littleton serves as our Chief Investment Officer, Chief Compliance Officer, and Chief Executive Officer. Brandon Rashard Littleton holds a significant stake in Form Advisory Group LLC.

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," and "us" refer to Form Advisory Group LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Ongoing Financial Planning Subscription

Form Advisory Group offers Ongoing Financial planning services and plan monitoring through our Ongoing Financial Planning Subscription. We believe that maintaining a dialogue with our clients about their financial questions and concerns is important in our clients' financial progress. To make this dialogue convenient, we offer an Ongoing Financial Planning subscription.

We currently offer one option for the subscription service:

#### Standard Tier:

Our standard service includes a (i) strategy session, (ii) ongoing guidance, (iii) access to a dedicated financial advisor, (iv) real-time summary of your money, and (v) personalized investment portfolio management.

We create a plan for you to reach your financial objectives. The plan includes an ongoing analysis of your risk, asset allocation, and time horizon. You will receive information such as specific recommendations on where to hold your assets, how much you need to be saving, and what investments to hold in your portfolio. We then focus on your goals, to help you understand what you will need to do to prepare for these milestones.

If you subscribe to this service, you will have limited access to our representatives. You will be able to communicate with our representatives by e-mail, and also schedule phone calls with our representatives through e-mail or through our website. These options to contact our representatives may change over time. We may impose limitations to the scope or frequency of ongoing communications and/or changes to your plan at our sole discretion. Note that you have no obligation to contact us during your subscription.

Per your services agreement, you may receive periodic check-ins from us. These check-ins may include information about your progress, additional recommendations, and/or general financial planning content.

### Form Advisory Group LLC Wrap Fee Program

We offer investment advisory services through the wrap fee program as described here and in our wrap fee program brochure to prospective and existing clients. We are the sponsor and portfolio manager for the wrap fee program.

The wrap fee program is offered in conjunction with, but as a separate service from, our financial planning services. The financial plan provided through our Ongoing Financial Planning services will include our recommendations designed to help you achieve your financial goals and objectives. Please see the Ongoing Financial Planning Subscription section above for additional information. Based on the information you provide during the financial planning services as well as other information we may collect from you, we will develop a Statement of Investment Objectives, which describes your goals and objectives. Your wrap fee account will be managed in accordance with your Statement of Investment Objectives. We will monitor your wrap fee account performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and/or in your financial circumstances.

Our wrap fee program allows clients to pay a single fee (the “Wrap Fee”) which covers management fees, trading commissions, fees for brokerage and other administrative and advisory services provided by us or the custodian. You are not charged separate fees for the respective components of the total services. The Wrap Fee, however, is separate from any fee for financial planning services. We receive a portion of the Wrap Fee for our services. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in the wrap fee account. Depending on the wrap fee account, clients may pay more for using our wrap fee program than they would for using our non-wrap services. If a client has an Ongoing Financial Planning Subscription and elects to participate in our wrap fee program, an amount specified in the Ongoing Financial Planning Subscription agreement will be excluded from the calculation of total assets on which the management fee is charged under the wrap fee program. This exclusion will remain in place until the termination of Ongoing Financial Planning Subscription agreement.

Prior to becoming a client under the wrap fee program, you will be required to enter into a separate written Wrap Fee Program Agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

The wrap fee program is provided on a discretionary basis. The discretionary wrap fee program includes our firm executing investments on your behalf. If you participate in our discretionary wrap fee program, we require you to grant us discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example,

limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

### Wrap Fee Programs

We participate in the wrap fee program described above.

### Types of Investments

We primarily offer advice on mutual funds and exchange traded funds ("ETFs"). Refer to the Methods of Analysis, Investment Strategies and Risk of Loss below for additional disclosures on this topic.

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 May 20, 2020, we provide continuous management services under the Wrap Fee Program (see below) for \$0.00 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

Form Advisory Group reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Clients for any period of time determined solely by Form Advisory Group. In addition, Form Advisory Group may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

The advisory agreement that is entered into between Form Advisory Group and a Client may be cancelled at any time by the Client or Form Advisory Group. Upon termination of any account, any unpaid earned fees will be due and will be billed to the Client.

### B.1. Standard Taxable Accounts and IRAs

The annual wrapped fees for each Client varies in accordance with his or her total assets under management ("AUM") at Form Advisory Group, as follows:

Client AUM	Annualized Fee (% of AUM)
\$500k - 1M	1.50%
\$1M - 2.5M	1.25%
\$2.5M+	1.00%

## Wrap Fee Program

Our wrap fee program allows clients to pay a single fee (the “Wrap Fee”) which covers management fees, trading commissions, fees for brokerage and other administrative and advisory services provided by us or the custodian. You are not charged separate fees for the respective components of the total services. The Wrap Fee, however, is separate from any fee for financial planning services. We receive a portion of the Wrap Fee for our services. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in the wrap fee account. Depending on the wrap fee account, clients may pay more for using our wrap fee program than they would for using our non-wrap services.

## Ongoing Financial Planning Subscription

We have various fees for the Ongoing Financial Planning subscription depending on when you signed up for the service. We may change the price depending on the state of our technology platform and/or based on incentive or discount programs that we offer. At our firm’s sole discretion, the onboarding fee, the recurring fee, or both, may be waived from time to time and/or discounted. Certain clients may actually pay lower fees based on a variety of factors and as determined in our firm’s sole discretion.

### Current Pricing for Service Offerings (effective June 19, 2019):

#### Standard Tier:

The fee is payable on or prior to the effective date of the Ongoing Financial Planning Subscription agreement. The first annual recurring fee may be discounted in certain circumstances.

If you elect to be billed quarterly, we will charge you a \$105 quarterly recurring fee billed quarterly in advance. The monthly present monthly rate is \$35. You may terminate your subscription by providing written notice to our firm. Paid but unearned fees will be refunded on a pro-rated basis. Paid fees will not be refunded at any time or upon termination of the service.

## Wrap Fee Program

Our wrap fee program allows clients to pay a single fee (the “Wrap Fee”) which covers management fees, trading commissions, fees for brokerage and other administrative and advisory services provided by us or the custodian. You are not charged separate fees for the respective components of the total services. The Wrap Fee, however, is separate from any fee for financial planning services. We receive a portion of the Wrap Fee for our services. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in the wrap fee account. Depending on the wrap fee account, clients may pay more for using our wrap fee program than they would for using our non-wrap services. If a client has an Ongoing Financial



Planning Subscription and elects to participate in our wrap fee program, we waive the fee on Form Invest for the first \$100,000 in the wrap fee account. This exclusion will remain in place until the termination of Ongoing Financial Planning Subscription agreement.

### Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You 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 your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the Brokerage Practices section of this brochure.

Neither our firm nor any of our supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### 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:

An employee will typically have four options:

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.

#### ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the Fees and Compensation section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

#### ITEM 7: TYPES OF CLIENTS

We offer investment advisory services to individuals and high net worth individuals.

In general, we do not require a minimum dollar amount to open and maintain a wrap fee account; however, we have the right to terminate your account if it falls below \$10,000 and we determine that it is too small to manage effectively.

#### ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

##### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Modern Portfolio Theory** - A theory of portfolio construction that describes how to maximize portfolio expected return for a given amount of portfolio risk by using a diversified set of assets.

**Risk:** A portfolio constructed using Modern Portfolio Theory does not eliminate "market risk," also known as "systematic risk," which is the possibility for an investor to experience losses due to factors that affect the overall financial markets. This risk is not eliminated through diversification. Also, portfolios constructed using Modern Portfolio Theory are highly dependent on assumptions about future expected returns and future correlations between assets. There is significant uncertainty in these inputs and therefore the portfolio constructed may not produce the anticipated returns and/or may have larger changes in value than anticipated.

**Long-Term Purchases** - Securities purchased with the expectation that the value of those securities will grow or generate returns through dividends or interest payments over a relatively long period of time, generally greater than one year.

**Risk:** 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 the 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.

**Strategic Asset Allocation:** A portfolio strategy that involves setting target allocations for various asset classes, and periodically rebalancing the portfolio to maintain these target allocations.

**Risk:** The methodology to determine a strategic asset allocation is based on a number of assumptions including future risks and returns of asset classes. These assumptions may be incorrect. Strategic asset allocation may allocate money to one or more asset classes that perform poorly over a long time period or experience higher volatility than anticipated.

**Historical Risk and Return Analysis:** Use of past market data to estimate likely return and risk profiles of financial instruments. Implicit in this analysis is the assumption that the future looks somewhat like the past. Statistical methods are used to examine correlations between risk or return and other macroeconomic or market variables.

**Risk:** Patterns that existed in the past may not persist into the future. There is a strong possibility that the future looks very different from the past, and that the analysis either overstates or understates the risks and returns in the portfolio or strategy where we apply the methodology.

**Portfolio Rebalancing:** The act of purchasing or selling financial instruments to bring an investment portfolio back into line with a target asset allocation. Rebalancing maintains the alignment between the risk/return of the portfolio and a client's investment objectives.

**Risk:** The act of rebalancing will produce additional trade fees for the client. These additional trade fees will negatively impact the performance of the portfolio. Rebalancing also may lower the return and/or increase the risk of a portfolio compared with a portfolio that is not rebalanced regularly. The purpose of rebalancing is not to maximize return or minimize risk; the purpose is to bring the portfolio back into line with a target allocation.

**Asset Location:** A tax strategy that involves the preferential placement of assets based on their anticipated distribution and return profile. Ordinary income generating assets or assets with significant current income will generally be placed in tax-advantaged accounts, where taxes are either deferred or not owed on realized gains. For assets that produce capital gains or assets with low current income, those assets will generally be placed in taxable (non-tax advantaged) accounts.

**Risk:** By placing different asset types in different accounts, there is a significant likelihood that your tax- advantaged accounts and non-tax-advantaged accounts will generate different returns. One class of accounts may significantly outperform or underperform the other class. A class of accounts and/or individual accounts may experience lower return or more risk than the Investment Assets in the aggregate. Tax-advantaged account(s) may significantly underperform the market and the Investment Assets as a whole.

**Tax-Loss Harvesting:** Securities with embedded losses are sold to accelerate capital loss realization. The realized capital loss can then be used to offset realized capital gains and ordinary income from other sources, potentially lowering tax liabilities at year-end.

**Risk:** The act of tax-loss harvesting will produce additional trade fees for the client. These additional trade fees will negatively impact the performance of the portfolio. The securities that are sold to realize the capital losses may outperform other securities in the future. Accelerated capital loss realization may increase current or future tax liabilities. Please check with your tax advisor for potential implications for your tax situation.

**Fundamental Analysis:** Analyzing individual companies and their industry groups using information such as a company's financial statements, details regarding a company's product line, the experience and expertise of a company's management, and the outlook for a company and its industry. This analysis can be synthesized into an estimation of a "fair" value of a company's securities (e.g. stock or bonds). This fair value can then be compared to the current price at which the securities are available for purchase or sale in the market.

**Risk:** Fundamental analysis often requires the use of our own evaluation about the future prospects of a product, company, or industry. There is significant uncertainty in any projection about the future. The estimation of the "fair" value of a security may heavily depend on these projections, and thus it is possible that our estimation of value is materially incorrect. Even if the projections are generally correct, there is no guarantee that the market value of a security will converge to our estimate of "fair" value.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.

## 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 investment of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. You are responsible for contacting your tax advisor to determine if a particular cost basis accounting method/tax lot selection method is best for your situation. If your tax advisor believes a specific cost basis accounting method is 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.

## Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## Recommendation of Particular Types of Securities

We primarily recommend mutual funds and ETFs. However, we may advise on other types of investments as appropriate for you since each client has different needs and a 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 potential return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and ETFs 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.

**ETF Specific Risks:** ETFs are designed to track an index or market benchmark. ETF performance, however, may not exactly match the performance of the index or benchmark for a number of

reasons, including the expenses and transaction costs incurred by the ETF and the possibility for supply and demand in the market to cause the ETF to trade at a discount or premium to the total value of the securities owned by the ETF.

#### ITEM 9: DISCIPLINARY INFORMATION

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

#### ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

##### Registration as Broker-Dealer

Neither our firm nor any of our management persons are registered, or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

##### Registration as Futures Commission Merchant/Commodity Pool operator/Commodity Trading Advisor

Neither our firm nor any of our management persons are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of the foregoing entities.

##### Material Advisory Business Relationships or Arrangements

Our firm recommends third party service providers who may also be clients of the firm. We mitigate this conflict by providing investment advice in the best interests of our clients and in accordance to their investment guidelines.

##### Recommendation of Other Advisers

We do not recommend third party advisers.

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

##### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce

written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer, Brandon Rashard Littleton at 615-500-1478.

### Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### ITEM 12 BROKERAGE PRACTICES THE CUSTODIAN AND BROKERS WE USE

Form Advisory Group (“we”/“our”) does not maintain custody of your assets [that we manage/on which we advise], although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our clients use MTG, LLC dba Betterment Securities (“Betterment Securities”), a registered broker dealer and member of the SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment for Advisors (defined below).

### HOW WE SELECT BROKERS/CUSTODIANS

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



- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices. - Reputation, financial strength, and stability.

## YOUR BROKERAGE AND CUSTODY COSTS

For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services, but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the investment management, brokerage and other platform services are purchased separately. Nonetheless, for those Clients participating in the Betterment for Advisors platform, we have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

## SERVICES AVAILABLE TO US VIA BETTERMENT FOR ADVISORS

Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors"). Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

**1. SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a globally diversified, low-cost portfolio of ETFs, execution of securities transactions, and custody of client assets through Betterment Securities. In addition, a series of model portfolios created by third-party providers are also available on the platform. Betterment Securities' services described in this paragraph generally benefit you and your account.

**2. SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our

clients' accounts, such as software and technology that may: – Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts. – Provide access to client account data (such as duplicate trade confirmations and account statements). – Provide pricing and other market data.

3. SERVICES THAT GENERALLY BENEFIT ONLY US. By using Betterment for Advisors, we may offer other services intended to help us manage and further develop our business enterprise. These services include: – Consulting (including through webinars) on technology and business needs. – Access to publications and conferences on practice management and business succession.

## OUR INTEREST IN BETTERMENT SECURITIES' SERVICES

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we do not have to pay for Betterment Securities' services. [These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody.] We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services (see "How we select brokers/custodians") and not Betterment for Advisors and Betterment Securities' services that benefit only us or that may not directly benefit you.

## BETTERMENT FOR ADVISORS' TRADING POLICY

When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on Betterment is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document,

Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios

approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC's Form ADV Part 2A.

#### ITEM 14—CLIENT REFERRALS AND OTHER COMPENSATION

We receive a non-economic benefit from Betterment for Advisors and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of Betterment for Advisors' and Betterment Securities' products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. [Insert your Item 14B disclosure (payment for client referrals) here if applicable.

#### ITEM 15: CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Betterment Securities to deduct our advisory fees directly from your account. Betterment Securities maintains actual custody of your assets. Your statements will be available for you to review on the activity section of your Betterment for Advisors account portal. You will also receive account statements directly from Betterment Securities at least quarterly at [www.bettermentsecurities.com](http://www.bettermentsecurities.com). You should carefully review those statements promptly.

Betterment Securities provides custody of securities, trade execution, and clearance and settlement of transactions. There will be no other products or services provided outside of the execution and/custody of assets.

#### ITEM 16: INVESTMENT DISCRETION

If you engage us for discretionary investment advisory services through our wrap fee program, you must first sign the Wrap Fee Program Agreement, and the appropriate trading authorization forms before we can buy or sell securities on your behalf. You must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s). You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the Advisory Business section in this brochure for more information on our discretionary management services.

#### ITEM 17: VOTING CLIENT SECURITIES

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. 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

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure. We have not filed a bankruptcy petition at any time in the past ten years.

#### Item 19: Requirements for State-Registered Advisers

Not applicable.