

# The Fine Print

## ADV Part 2A

### Item 1: Cover Page

#### Facet Wealth

Brochure

Dated: August 5, 2021

Contact: Christopher J. Huffman, Chief Compliance Officer

100 International Drive, 23rd Floor

Baltimore, MD 21202

This brochure provides information about the qualifications and business practices of Facet Wealth. If you have any questions about the contents of this brochure, please contact us at 443-376-6235 or [chris@facetwealth.com](mailto:chris@facetwealth.com). 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 Facet Wealth also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Facet Wealth as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

### Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Facet Wealth, Inc. on February 4, 2021 are described below. Material changes relate to Facet Wealth, Inc.'s policies, practices or conflicts of interests.

- Facet Wealth has updated their address to 100 International Drive, 23<sup>rd</sup> Floor, Baltimore, MD 21202
- Facet Wealth, Inc. has updated their Assets Under Management (Item 4G).

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#### Item 4: Advisory Business

A. Facet Wealth (the “Registrant”) is a corporation formed on August 3, 2016 in the State of Delaware. The Registrant became registered as an Investment Adviser in November 2016. Anders Jones serves as the Registrant’s Chief Executive Officer and Patrick McKenna serves as Executive Chairperson, and each individually owns more than 10% of the firm. In addition, Warburg Pincus, through two investment funds, has an ownership interest of greater than 25% in the firm.

#### B. FINANCIAL PLANNING AND CONSULTING SERVICES

The Registrant shall provide Client with the financial planning and/or consulting services as designated by the Client. The services provided depend on the nature and complexity of the Client’s situation and could include some or all of the following: financial goal setting, portfolio design and asset allocation, risk tolerance and capacity analysis, investment management, cash flow and expense planning, debt management and planning, employee benefits planning, employer stock plan analysis, retirement planning, education planning, risk management and insurance planning, estate planning and beneficiary, income tax planning, trust planning, small business planning, and small business retirement plans.

Prior to engaging the Registrant to provide financial planning and consulting services, the client will be required to enter into a Financial Planning and Consulting Agreement with the Registrant setting forth the terms and conditions of the engagement and describing the scope of the services to be provided. Registrant and the client will work together to determine the specific suite of services to be provided. Registrant’s financial planning and consulting fees are negotiable, but generally range from \$1,200 to \$15,000 per year on a flat fee basis, depending upon the level and scope of the services required.

The recommendations provided by the Registrant are focused solely on the individual needs of the client. The Registrant engages in a client intake process involving communication with prospective clients and the collection of their financial information to help determine each client’s investment objectives and risk tolerance.

In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely

thereon. If requested by the client, Registrant shall recommend the services of other professionals for implementation purposes.

The client is under no obligation to engage the services of any such recommended professional. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional/firm.

The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Clients are encouraged to renew Registrant's financial planning and consulting services on an annual basis for the purpose of reviewing and updating Registrant's previous recommendations and/or services.

It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations or services.

#### C. INVESTMENT MANAGEMENT SERVICES

The Registrant does not generally offer standalone investment management services. However, the client can determine to engage the Registrant to provide discretionary investment management as part of its financial planning and consulting services. The list of such services available to a client will be denoted on the relevant financial planning and consulting services agreement.

Prior to accepting discretionary authority over a client's assets, the Registrant engages in a client intake process to determine each client's investment objectives and risk tolerance.

#### D. MISCELLANEOUS

Non-Investment Consulting/Implementation Services. If requested by the client, the Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of the Registrant's services should be construed as legal or accounting services. Accordingly, the Registrant does not prepare estate planning documents. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain of the Registrant's related persons in their separate registered capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. No client is under any obligation to purchase any securities or insurance commission products from a representative of the Registrant. Clients are reminded that they may purchase securities and insurance products recommended by Registrant through other, non-affiliated registered representatives of a custodian and/or insurance agencies.

Retirement Plan Rollovers — No Obligation / Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement

plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that Registrant recommends that clients roll over assets from their retirement plan to an IRA managed by Registrant, then Registrant represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant's Chief Compliance Officer, Christopher Huffman, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the Registrant represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the Registrant or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Independent Managers. The Registrant may allocate or recommend that the client allocate a portion of their investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Please Note: The investment management fee charged by the Independent Manager(s) is separate from, and in addition to, Registrant's advisory fee as set forth in the fee schedule at Item 5 below.

Use of Mutual and Exchange Traded Funds. Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services. Please Note: In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will

also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Financial Planning and Consulting Agreement or Investment Advisory Agreement.

E. The Registrant shall provide advisory services specific to the needs of each client. Prior to providing advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.

F. The Registrant does not participate in a wrap fee program.

G. As of June 30, 2021, the Registrant had \$807,544,525.00 in assets under management on a discretionary basis.

As of June 30 2021, the Registrant had \$1,053,244,525 in assets under advisement.

## Item 5: Fees and Compensation

### A. FINANCIAL PLANNING AND CONSULTING SERVICES

The Registrant provides its clients with varying levels of financial planning and consultation services. Registrant's financial planning and consulting fees are negotiable, but generally range from \$1,200 to \$15,000 per year on a flat fee basis, depending upon the level and scope of the services required and the professional rendering the service(s). If a client determines to engage the Registrant to provide discretionary investment management services, such services shall be considered in determining the client's final financial planning and consulting fee. Other factors considered include, but are not limited to, the amount of the assets placed under the Registrant's management, the level and scope of the overall investment advisory services to be rendered and the complexity of the engagement.

Note: Fee Differentials. The Registrant shall price its financial planning and consulting services, as well as any included asset management services, based upon various objective and subjective factors. As a result, the Registrant's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, the representative assigned to the account, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, negotiations with the client, and the level and scope of the overall services to be rendered. As a result, similar clients could pay different fees. Moreover, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

B. The Registrant typically bills for its financial planning services either monthly, quarterly, semi-annual or annual in advance. However, clients may elect to have the Registrant's advisory fees deducted from their custodial account, or charged to their credit card. For monthly credit card payments, Facet may charge the client an administrative fee to cover the expense of establishing and maintaining the payment program. Both Registrant's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. To the extent that the client elects to have the Registrant's investment management fee charged to their credit card, the Registrant shall use a third party service that provides this form of bill pay service for its client.

C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend a custodian such as TD Ameritrade, Charles Schwab, Fidelity as the custodian for client investment management assets. Custodians typically charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

D. The Client will be solely responsible for accepting or rejecting Planner's financial planning advice and for implementing any such investment recommendations or advice. Planner may recommend itself, one of its affiliates, or a third party to assist the Client with implementation of Planner's financial planning advice. A conflict of interest exists where Planner recommends itself or any of its affiliates to implement any such advice. Client understands that Client may choose any advisor, brokerage firm, or other professionals to implement the recommendations and advice given by Advisor.

Where Planner introduces to Client a third party to provide services in connection with the implementation Planner's financial planning advice (such as third party services pertaining to the preparation of estate planning documents or the preparation of tax documents), Planner can charge Client an administrative fee for time and resources incurred by the Planner in facilitating the provision of such services with the third party.

## Item 6: Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

### Item 7: Types of Clients

The Registrant's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. The Registrant, in its sole discretion, may charge lesser fees based upon certain criteria. (i.e. anticipated future earning capacity, related accounts, negotiations with client, etc.).

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

A. The Registrant shall utilize the following methods of security analysis:

1. Fundamental – (analysis performed on historical and present data, with the goal of making financial forecasts)
2. Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
3. Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

1. Long Term Purchases (securities held at least a year)
2. Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

B. The Registrant's method of analysis does not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies – Long Term Purchases and Short- Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transaction costs when compared to a longer-term investment strategy.

C. The Registrant primarily allocates client investments to exchange traded funds (ETF's) and may manage other existing assets such as various mutual funds, individual equities (stocks) and debt instruments (bonds) the client has based the client's designated investment objective (s). The Registrant may also allocate investment management assets of its client accounts, on a discretionary basis, among one or more of its asset allocation programs (i.e. Aggressive, Moderately Aggressive, Moderate, and Conservative) as designated on the Investment Advisory Agreement. Registrant's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment – the account is managed on the basis of the client's financial situation and investment objectives;
3. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
5. Quarterly Report – the client shall be provided, for each account, at least a quarterly report for the preceding period from their respective custodian. Facet may provide additional reporting if warranted;
6. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account;
7. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
8. Separate Account – a separate account is maintained for the client with the Custodian;
9. Ownership – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). Please Note: Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.



### Item 9: Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

### Item 10: Other Financial Industry Activities and Affiliations

A. Neither the Registrant nor any management persons of the Registrant are registered, or have an application pending to register as broker-dealer or a registered person of a broker-dealer.

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

C. The Registrant does not have any relationships or arrangements that would create a material conflict of interest with clients.

D. The Registrant does not recommend or select other investment advisors for clients.

### Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The

Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## Item 12: Brokerage Practices

A. In the event that the client requests that the Registrant recommend a custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific custodian), Registrant generally recommends that investment management accounts be maintained at a custodian such as TD Ameritrade, Charles Schwab, Fidelity. There is a \$500 minimum for opening any investment account. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated custodian.

Factors that the Registrant considers in recommending TD Ameritrade, Charles Schwab, Fidelity (or any other custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified custodian might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of custodial services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, Registrant receives from TD Ameritrade, Charles Schwab, Fidelity (or another custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade, Charles Schwab, Fidelity or as a result of this arrangement. There is no corresponding commitment made by the Registrant to TD Ameritrade, Charles Schwab, Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Christopher Huffman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.

2. The Registrant does not receive referrals from broker-dealers.
- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### Item 13: Review of Accounts

A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant's Principal, at least annually. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

B. The Registrant may conduct account reviews on a more than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

#### Item 14: Client Referrals and Other Compensation

A. As referenced in Item 11.A.1 above, the Registrant receives an economic benefit from TD Ameritrade, Charles Schwab, or Fidelity. The Registrant, without cost (and/or at a discount), receives support services and/or products from TD Ameritrade, Charles Schwab, or Fidelity.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade, Charles Schwab, or Fidelity as a result of this arrangement. There is no corresponding commitment made by the Registrant to TD Ameritrade, Charles Schwab, or Fidelity any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Christopher Huffman, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interest any such arrangement may create.

If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely by the Registrant and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the Registrant, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and deliver a copy of the Registrant's written Brochure.

We have entered into and are currently a party to certain referral agreement(s) whereby we pay and/or receive a referral fee related to the solicitation of clients, in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law

requirements. All such referral fees paid by us shall be paid solely from our advisory fee. For clients who are introduced to us by an unaffiliated solicitor, the client is given, prior to or at the time of entering into any advisory contract, (1) a copy of our written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act, and (2) a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. For clients we refer to a third party advisor, the client is given, prior to or at the time of entering into any advisory contract, (1) a copy of the third party advisor's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act, and (2) a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation.

### Item 15: Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a monthly quarterly, semi-annual or annual basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Custody is also disclosed in Form ADV because Facet Wealth, Inc. has authority to transfer money from client account(s), which constitutes a standing letter or authorization (SLOA). Accordingly, Facet Wealth, Inc. will follow the safeguards specified by the SEC rather than undergo an annual audit.

### Item 16: Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an Investment Advisory Agreement, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

### Item 17: Voting Client Securities

A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for:

(1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

#### **Item 18: Financial Information**

A. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

B. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Christopher Huffman, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.