

Registered As: Compass Financial Advisory Services, LLC | CRD No. 316843



COMPASS FINANCIAL

ADVISORY SERVICES, LLC
"Clear Financial Direction" 

Form ADV Part 2A – Firm Disclosure Brochure

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This Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Compass Financial Advisory Services, LLC ("the firm" "Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (888) 673-5191 or by email at tara@compassfinancial.us. 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. This Disclosure Brochure provides information about the firm to assist you in determining whether to retain the firm. Additional information about Compass Financial Advisory Services, LLC is available on the SEC's website at www.adviserinfo.sec.gov by searching our CRD number 316843.

Item 2 – Material Changes

Compass Financial Advisory Services, LLC is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure. Annually, a complete Disclosure Brochure will be offered to Clients along with a summary of material changes, if any, within 120 days from the firm's fiscal year-end.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching the firm name or CRD number 316843. A copy of this Disclosure Brochure may be requested at any time, by contacting (888) 673-5191 or by email at tara@compassfinancial.us.



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Item 4 – Advisory Business

Firm Information

Compass Financial Advisory Services, LLC registered with the SEC as an investment advisor in 2021 to directly provide advisory services primarily to Publix¹ employees. Previously, since 1991, Compass Financial Management Group, Inc. was helping Publix employees through an unaffiliated registered investment advisor. Throughout the years, the relationship and track record with Publix employees has been a driving reason for growth. As with any other financial companies, we are not endorsed by Publix Corporate offices.

Compass Financial Advisory Services, LLC takes a faith-based approach to retirement planning. Plans are tailored to meet the specified needs of each client. This disclosure brochure provides information regarding the qualifications, business practices and details of the advisory services and the applicable fees.

Our business model is unique in that our client base comes from a regional grocery store chain, Publix Supermarkets, that is employee owned and operated. The retirees overwhelming investment experience and exposure has been solely in Publix Supermarkets stock which is privately traded and valued four times per year.

Our retirement planning approach for these associates is to segment their assets into two parts, income and growth. The income portion typically consists of 65% of the total assets and it is put into a Fixed Index Annuity while the remaining 35% is kept in Publix stock.

Our standard plan is a generally a 15-year plan. The Fixed Index Annuity is methodically depleted using systematic withdrawals while the Publix stock grows over 15 years. As the client progresses through this 15 year plan their Publix stock exposure is increasing while their Fixed Index Annuity exposure is decreasing. After the 15 years of income is completed a new income plan is started in a similar fashion with predictable income (more than likely with another Fixed Index Annuity) and Publix stock for the long-term growth component.

Principal Owner

Tara A. Sanders, CFP®

President, and Chief Compliance Officer

Ms. Sanders is a Certified Financial Planner™ and a 51% owner of Compass Financial Advisory Services, LLC along with Compass Financial Management Company, Inc. that also owns 49% of Compass Financial Advisory Services, LLC. Ms. Sanders joined Compass Financial Management Group, Inc. in 2003 and has been in the financial services industry since 1994 where she began her career at Merrill Lynch. Her role with Compass Financial Advisory Services, LLC includes all areas of financial planning, asset management, including third

¹ Publix is a privately owned company providing food and pharmacy throughout the southeast. The common stock is not publicly traded on a stock exchange, so it does not have a "ticker" symbol. Only eligible active associates and members of the board of directors can purchase Publix stock during designated offering periods.



party money managers, and on-going performance monitoring. In her free time, Tara enjoys spending time with her husband and three children and is involved in her church.

Advisory Services Offered

Compass Financial Advisory Services, LLC provides financial planning and fee-based investment advisory services primarily to individual Clients and high-net worth individuals with a focus on retirement. Client relationships generally begin with a no cost and no obligation written financial plan to identify financial goals, define a risk tolerance and determine a retirement strategy consistent with a Clients best interests.

Assets are managed on a non-discretionary basis. Investment strategies and recommendations are tailored to the individual needs of each Client but generally consist of an asset allocation consistent with:

- **Income with Capital Preservation.** Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- **Income with Moderate Growth.** This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- **Growth with Income.** This investment objective emphasizes modest capital growth with some focus on generation of current income.
- **Growth.** This investment objective emphasizes achieving high long-term growth and capital appreciation.
- **Aggressive Growth.** This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has an extremely high level of risk and is for investors with a longer timer horizon.

At no time will Compass Financial Advisory Services, LLC accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement on a discretionary or non-discretionary basis.

- Investment advice is not limited to certain investment types.
- A minimum total investment amount is generally not required.
- Advisory services are tailored to the individual need of each Client.



Compass Financial Advisory Services, LLC Wrap Fee Program

Compass Financial Advisory Services offers a comprehensive, open-architecture, fee-based investment platform to offer Clients customized advice and service. The program provides a foundation to develop long-term financial goals and provide potential solutions. Clients may impose restrictions on investing in certain securities.

Compass Financial Advisory Services acts as the sponsor and portfolio manager. As the sponsor, Compass Financial Advisory Services provides regular and continuous management and advice to clients regarding the allocation of assets. The assets typically consist of mutual funds and ETFs. The cost to manage an account, advisory fees and transaction expenses are “wrapped” into a combined fee; however, additional account level fees are disclosed in the account opening documents and fund prospectuses.

- Please see Appendix 1 –Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure for additional details.

Client Account Management

Prior to engaging Compass Financial Advisory Services, LLC to provide investment advisory services, each Client is required to enter into an investment advisory agreement with that defines the terms, conditions, authority, and responsibilities.

Assets Under Management

The firm is a newly registered investment adviser. Assets under management will be amended at least annually as of December 31st.

Assets under Management	
Discretionary	\$0.00
Non-Discretionary	\$0.00
Total	\$0.00

Retirement Plan Rollovers

An employee generally has five (5) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer’s plan, if permitted
2. Rollover the assets to his/her new employer’s plan if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Utilize Net Unrealized Appreciation (NUA) to move company stock from plan
5. Cash out the account value, which has significant tax considerations



Compass Financial Advisory Services, LLC provides educational services pertaining to retirement plan assets that could potentially be rolled-over to an IRA managed by the firm. Compass Financial Advisory Services, LLC has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a Client's best interest and acting accordingly.

Retirement Plan Participant-level, Non-fiduciary Services

Compass Financial Advisory Services, LLC can provide non-fiduciary, educational services to plan participants. In offering any such services, the IAR is not acting as a fiduciary under ERISA and will act solely within the Department of Labor's Interpretive Bulletin 96-1 providing education only.

Financial Planning Services

Compass Financial Advisory Services, LLC, provides financial planning. The type of planning can vary greatly depending on the scope and complexity of an individual's financial situation. Examples of the type of planning available include but are not limited to the following:

- **Retirement Planning** – The ongoing process of defining retirement income goals and the actions necessary to attain stated goals. This planning also includes identifying all sources of income and determining annual expenses while managing assets and risk.
- **Investment Planning** – Planning that implements an investment strategy to utilize financial resources to meet stated financial goals consistent with objectives, time horizons, and risk tolerances.
- **Tax Planning** – Compass Financial Advisory Services, LLC will generally consult with the client's outside tax professional during the financial planning process with the objective of utilizing the most tax efficient plan to maximize overall goals.
- **Insurance and Asset Protection Planning** – Precautionary planning that shelters you and your loved ones from unexpected financial loss. This type of planning satisfies the ongoing financial needs of survivors such as housing, child care, and education funding.
- **Legacy and Wealth Transfer Planning** – Planning that focuses on the most efficient and tax friendly options to pass an estate to a spouse, other family members, or a charity.

Prior to engaging the firm to provide stand-alone planning or consulting services, Clients are required to enter into an Agreement setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the Client prior to the firm commencing services.

Hourly Consulting Services

Compass Financial Advisory Services, LLC, through its Investment Adviser Representatives, can provide hourly consulting services instead of a comprehensive financial planning when a narrower scope of services is



appropriate. Hourly consulting considers information collected from the client such as financial status, investment objectives and tax status, among other data. The Investment Adviser Representatives may or may not deliver a written analysis or report as part of the services. The engagement terminates upon final consultation with the client.

Item 5 – Fees and Compensation

Investment Management

Fees are paid quarterly in advance and will generally not exceed 1% of assets under management unless the scope, complexity, amount of time or expertise required warrant a higher fee. The account custodian calculates the advisory fee based on the prior quarter end value, multiplied by the advisory fee divided by 360 and then multiplied by 90.

- Clients will receive quarterly statements from the Custodian that provides details of the advisory fees.
- The investment advisory fee in the first period of service is pro-rated from the inception date of the account[s] to the end of the first quarter.
- If the advisory agreement is terminated before the end of the quarterly period, Client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.
- Asset management fees are exclusive of and in addition to, brokerage fees, transaction fees, and other related costs and expenses.
- The firm will not have the authority or responsibility to value portfolio securities.

Mutual Fund Share Class Disclosures

Compass Financial Advisory Services, LLC strives to select the lowest cost share class available; however, certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as support services and “other expenses” such as legal, accounting and the administrative functions of the custodian. When selecting a mutual fund, Investment Advisor Representatives have a fiduciary duty to choose the share class that helps manage the overall fee structure of the account. The entire fee structure includes such fees as the asset management fee, the expense ratio and ticket charges.

- Mutual funds typically offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore usually less expensive.
- Investment Advisor Representatives will consider investing Client funds in 12b-1 fee-paying share classes even when a lower-cost share class is available as appropriate to account for the overall fee structure and tax considerations as well as attributes of a fund not available for lesser fees.



Financial Planning

Financial planning is offered at no cost and no obligation to determine the appropriate fee-based planning service to be considered.

Hourly Consulting Services

The fee for hourly consulting is generally \$300 an hour based on the scope and complexity as well as the amount of time and/or expertise required.

Compensation for Sales of Securities

Compass Financial Advisory Services, LLC does not receive commission compensation for advisory services.

Other Fees and Expenses

Clients will incur transaction charges for trades executed in a non-Wrap Fee account. These transaction fees are separate from our fees. Also, Clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). If a Client's assets are invested in mutual funds or other pooled investment products, Clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay Advisor the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, Clients could generally avoid the second layer of fees by not using the management services of Compass Financial Advisory Services, LLC and by making their own investment decisions. Further information regarding fees assessed by a mutual fund is available in the appropriate prospectus.

Termination

A contract between Compass Financial Advisory Services, LLC and a Client may be cancelled at any time and billing will be stopped as soon as reasonable efforts allow. Clients will be given this brochure form ADV Part 2A, forty-eight hours in advance of signing an agreement or they will have five business days to unconditionally cancel the agreement.

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

Compass Financial Advisory Services, LLC does not accept performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a Client (such as a Client that is a hedge fund or other pooled investment vehicle).

Compass Financial Advisory Services, LLC also does not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.



Item 7 – Types of Clients

The advisory services offered by Compass Financial Advisory Services, LLC are available for individuals, individual retirement accounts (“IRAs”), and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 (“ERISA”) and other business entities.

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

Compass Financial Advisory Services, LLC emphasizes continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of mutual funds and equities. The Client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the Client’s circumstances. Once the appropriate portfolio has been determined, it is subject to review and if necessary, rebalanced based upon the Client’s individual needs, stated goals and objectives. Each Client can place reasonable restrictions on the types of investments to be held in the portfolio.

Compass Financial Advisory Services, LLC uses multiple forms of research to analyze financial data and market conditions such as the general financial health of a company, and/or the analysis of management or competitive advantages, past market data (primarily price and volume), business cycles as well as patterns and trends. The firm also conducts the following types of analysis to make investment decisions.

- **Fundamental Analysis** - Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria consist generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The firm monitors these economic indicators to determine if adjustments to strategic allocations are appropriate.
- **Charting Analysis** - Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The firm monitors these market indicators to determine if adjustments to strategic allocations are appropriate.



- **Cyclical Analysis** - Cyclical analysis is like technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the company. The risks with cyclical analysis are like those of technical analysis.
- **Technical Analysis** - Technical analysis is a trading discipline employed to evaluate investments and identify trading opportunities by analyzing statistical trends gathered from trading activity, such as price movement and volume. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the firm will be able to accurately predict such a reoccurrence.
- **Asset Allocation** - Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance, and we seek to create a portfolio to maximize potential return relative to portfolio risk. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, necessitating periodic re-balancing of client portfolios.
- **Mutual Fund and/or ETF Analysis** - We look at the experience and track record of the manager of the mutual fund or exchange traded fund (ETF) in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risk of Loss

Investing in securities involves certain investment risks. Securities can fluctuate in value or lose value up to the entire principal amount invested. Clients should be prepared to bear the potential risk of loss. Compass Financial Advisory Services, LLC will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these



methods of analysis may lose value and may have negative investment performance. Investment Advisor Representatives monitor economic indicators to determine if adjustments to strategic allocations are appropriate.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis. The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations. However, Clients should be aware of the following types of risks that apply to investing and are encouraged to discuss the specific risks applicable to their account holdings:

- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Credit Risk** – the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.



- **Interest Rate Risk** – the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Margin Risk** – the risk of losing more money than initially invested due to the amplified effect of losses when investing with borrowed money.
- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Transparency Risk** – the risk of not having ready access to required financial information about a company, such as price levels, market depth, and audited financial reports.

All investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.



Types of Investments

Compass Financial Advisory Services, LLC generally manages Client portfolios that consist of mutual funds, Exchange Traded Equities (ETFs) and limited individual securities.

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
 - **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus Clients may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.
 - **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed, and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide income or liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, Clients may be unable to liquidate all or a portion of their shares in these types of funds.
 - **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes, and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund’s concentration in the real estate industry.
- **Equity** – An investment that generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange-Traded Funds (ETFs)** – An ETF is a portfolio of securities invested to track a market index like an index mutual fund, but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount; and as a result, investors pay when purchasing shares and receive more or less than when selling shares. The supply of



ETF shares is regulated through a mechanism known as creation and redemption that involves large specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks, or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of an ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange. The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs have a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which is a cost not incurred by mutual funds. Like mutual funds, shares of an ETF represent partial ownership of an underlying portfolio of securities.

- **Cash Positions** – Based on perceived or anticipated market conditions and/or events, certain assets can be taken out of the market and held in a defensive cash position. All cash may be included as assets subject to the agreed upon advisory fee. Compass Financial Advisory Services, LLC, generally invest Client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, the firm tries to achieve a reasonable return on our Client's cash balances through relatively low-risk conservative investments.

Additional types of investments will be considered per Client for asset allocation and risk management purposes.

Item 9 – Disciplinary Information

There are no legal, regulatory, or disciplinary events involving Compass Financial Advisory Services, LLC or any of its Supervised Persons.

Item 10 – Other Financial Industry Activities and Affiliations

Insurance Agency Affiliations

Certain Advisory Persons are also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from one's role with Compass Financial Advisory Services, LLC. As an insurance professional, customary commissions and other related revenues are received from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This causes a conflict of interest in recommending certain products of the insurance companies. Clients are



under no obligation to implement any recommendations made by the Investment Advisor Representative in their capacity as an insurance agent.

This chart is intended to explain the potential capacity a Financial Advisor can serve, and the type of compensation received.

Capacity	Compensation
Investment Advisor Representatives	Advisory Fee
Insurance Agent	Commissions

Conflicts of interests exist because securities and insurance sales create an incentive to recommend products based on the compensation earned rather than the best interests of the Client. Such potential conflicts of interest are subject to review by the Chief Compliance Officer.

Neither Compass Financial Advisory Services, LLC nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

Code of Ethics

Compass Financial Advisory Services, LLC has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with the firm (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. The firm and its Supervised Persons owe a duty of loyalty, fairness, and good faith towards each Client. It is the obligation of the firm’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (888) 673-5191 or by email at tara@compassfinancial.us.

Personal Trading with Material Interest

Compass Financial Advisory Services, LLC does not act as principal in any transactions. In addition, the firm does not act as the general partner of a fund or advise an investment company. Compass Financial Advisory Services, LLC does not have a material interest in any securities traded in Client accounts.

Personal Trading in Same Securities as Clients

Compass Financial Advisory Services, LLC allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you



and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

Personal Trading at Same Time as Client

Supervised Persons may not purchase or sell any security immediately prior to or immediately after a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Item 12 – Brokerage Practices

Compass Financial Advisory Services, LLC will recommend that Clients establish a brokerage account with Pershing Advisor Solutions, LLC to maintain custody of assets and to effect trades. Pershing Advisor Solutions, LLC provides brokerage and custodial services to independent investment advisory firms, including Compass Financial Advisory Services, LLC. Pershing Advisor Solutions, LLC is compensated by Clients through commissions, trails, or other transaction-based fees for trades that are executed through Pershing Advisor Solutions, LLC.

1. **Soft Dollars** - Soft dollars are revenue programs offered by broker/dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Pershing Advisor Solutions, LLC makes available various products and services designed to assist the firm in managing and administering Client accounts. These services include software and other technology that provide access to Client account data (such as trade confirmation and account statements); facilitation of trade execution (and research reports or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making. These support services are provided based on the overall relationship without a minimum production level or value of assets held with the custodian. Consequently, it is not the result of soft dollar arrangements or any other express arrangements that involve the execution of Client transactions as a condition to receive the services.
2. **Brokerage Referrals** - Compass Financial Advisory Services, LLC does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
3. **Transaction Fees** - The Custodian charges brokerage commissions and 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 debt securities transactions). The Custodian enables Compass Financial Advisory Services, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodian's commission rates are



generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker/dealers.

4. **Best Execution** - 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 a broker/dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all Clients, we may not necessarily obtain the lowest possible commission rates for specific Client account transactions.
5. **Aggregating and Allocating Trades** - The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as price, size of order and difficulty of execution. Compass Financial Advisory Services, LLC does not aggregate purchases and sales for various Client accounts, but orders can be aggregated by the custodian.

Item 13 – Review of Accounts

For those Clients to whom Compass Financial Advisory Services, LLC provides investment advisory services, account reviews are conducted on an ongoing basis by the Investment Advisor Representative. All Clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their Investment Advisor Representative. In addition, each Client relationship shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may also be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Compass Financial Advisory Services, LLC if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

Clients will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client can also establish electronic access to the Custodian's website so they can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

Item 14 – Client Referrals and Other Compensation

Compass Financial Advisory Services, LLC is a fee-based advisory firm, that is compensated by its Clients to provide investment advice and not from any investment product or someone other than the Client. Compass Financial Advisory Services, LLC does not receive commissions or other economic benefit or compensation from product sponsors, broker/dealers or any un-related third party.



Compensation Client Referrals from Solicitors

Compass Financial Advisory Services is not compensated or pay compensation for client referrals.

Item 15 – Custody

Compass Financial Advisory Services, LLC does not accept or maintain actual custody of funds or securities. A qualified custodian is responsible to provide Clients with trade confirmations, tax forms and quarterly statements that include account balance(s). Clients are advised to carefully review the information provided by the custodian and notify their Investment Advisor Representative with any questions or if such information is not received. Clients authorize the custodian by separate agreement to deduct advisory fees on behalf of Compass Financial Advisory Services, LLC.

Item 16 – Investment Discretion

Compass Financial Advisory Services, LLC provides investment advisory services on a non-discretionary basis.

Item 17 – Voting Client Securities

Compass Financial Advisory Services, LLC does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. Compass Financial Advisory Services, LLC will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither the firm, nor its management, have any adverse financial situations to disclose and have not been subject to a bankruptcy or financial compromise. The firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.



Registered As: Compass Financial Advisory Services, LLC | CRD No. 316843



COMPASS FINANCIAL
ADVISORY GROUP, LLC

"Clear Financial Direction" 

Appendix 1 – Wrap Fee Program Brochure

880 Airport Road, Suite 112A
Ormond Beach, Florida 32174

Phone: (888) 673-5191 | Website: <http://www.compassfinancial.us>

December 13, 2021

This Form ADV2A - Appendix 1 ("Wrap Fee Brochure") provides information about the qualifications and business practices for Compass Financial Advisory Services, LLC ("the firm") services when offering services according to a wrap program. This Wrap Fee Brochure shall always be accompanied by the firm's Disclosure Brochure, which provides complete details on the business practices of the firm. If you did not receive the firm Disclosure Brochure or you have any questions about the contents of this Wrap Fee Brochure or the firm Disclosure Brochure, please contact us at (888) 673-5191 or by email at tara@compassfinancial.us. 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 the firm and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD No. 316843. Registration does not imply a certain level of skill or training.



Item 2 - Material Changes

If the firm amends this brochure so that it contains material changes from the last annual update, the changes will be identified in this item.

Clients will receive, at no charge, a summary of any material changes within 120 days of the firm's fiscal year-end and promptly (generally within 30 days) after any material changes throughout the year.



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Item 4 – Services, Fees and Compensation

Compass Financial Advisory Services, LLC provides investment advisory services where the asset management fee and ticket charges are "wrapped" into a single payment. This Wrap Fee Program Brochure is provided as a supplement to the firm's Disclosure Brochure (Form ADV 2A) to provide further details of the business practices and fee structure. This Wrap Fee Program Brochure references back to the firm's Form ADV 2A in which this Wrap Fee Program Brochure serves as an Appendix. Please see Item 4 – Advisory Services of the Form ADV 2A for details on the firm's investment philosophy and related services.

- Compass Financial Advisory Services, LLC is the sponsor and portfolio manager of this Wrap Fee Program and receives investment advisory fees paid by Clients and pays the Custodian for the costs associated with the regular trading activity.
- Investment advisory fees will be calculated and deducted from the Client's account by direct agreement between the Client and Pershing Advisor Solutions, LLC. Client will receive independent statements from the Custodian. The amount due is calculated based on the following formula: $(\text{Quarter End Value} \times \text{Advisory Fee}) / 360 \times 90 = \text{Advance Billing}$.

Participation in this wrap fee program may cost more or less than purchasing such services separately. For example, a Client account with a high volume of trading is likely to benefit from the fee structure of a wrap fee program whereas a Client with a low volume of trading is likely to benefit more from a fee structure that charges a transaction fee per trade with a lower asset management fee or a brokerage account that does not charge an asset management fee for active management.

Other Fees and Expenses

Mutual funds and exchange-traded funds have separate operating costs that are described in each fund's prospectus. These fees and costs will generally be used to pay management fees, account administration (e.g., custody, brokerage, and account reporting), and a possible distribution fee. Compass Financial Advisory Services, LLC does not receive any of the fees charged by a mutual fund or ETF. A Client could invest in these products directly, without the services of Compass Financial Advisory Services, LLC, but would not receive the advisory services to assist in determining which products or features are most appropriate for their financial situation and objectives. Accordingly, the Client should review the fees charged by the fund[s] and the fees charged by the firm to fully understand the total costs. Only advisory fees are retained by Compass Financial Advisory Services, LLC.

Item 5 – Account Requirements and Types of Clients

Please see Item 7 – Types of Clients in the Form ADV 2A Disclosure Brochure.



Item 6 - Portfolio Manager Selection and Evaluation

Compass Financial Advisory Services, LLC serves as sponsor and portfolio manager for the services under this Wrap Fee Program. The firm does not charge performance-based fees. The selection of the wrap fee program for a Client is based on their preference for a model-based account or open architecture as well as account minimum requirements.

The performance of the wrap fee program is calculated by Pershing Advisor Solutions, LLC and reviewed based on account statements and performance reports prepared by Pershing Advisor Solutions, LLC.

Compass Financial Advisory Services, LLC does not accept proxy-voting responsibility. Clients will receive proxy statements directly from the Custodian. Compass Financial Advisory Services, LLC can assist in answering questions relating to proxies; however, the Client retains the sole responsibility for proxy decisions and voting.

Item 7 – Client Information Provided to Portfolio Managers

Compass Financial Advisory Services, LLC is the sponsor and sole portfolio manager for the Program. There is no other portfolio manager where Client information can be shared.

Item 8 – Client Contact with Portfolio Managers

Compass Financial Advisory Services, LLC is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at the firm.

Item 9 – Additional Information

The backgrounds, disciplinary information (none) and other financial industry activities and affiliations is available on the Investment Advisor Public Disclosure website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD No. 316843.

Please also see Item 9 of the firm Disclosure Brochure as well as Item 3 of each Investment Advisor Representatives Form ADV 2B Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background information.

Compass Financial Advisory Services, LLC has implemented a Code of Ethics that defines our fiduciary commitment to each Client. The details of the Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).



Client accounts are monitored on a regular and continuous basis by the Chief Compliance Officer (“CCO”). Details of the review policies and practices are provided in Item 13 of the Form ADV Part 2A – Disclosure Brochure.

Please see Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure) for details on additional compensation that may be received by the firm or its Investment Advisor Representatives. Each Investment Advisor Representative’s Form ADV 2B Brochure Supplement (also included with this Wrap Fee Brochure) provides details on any outside business activities and the associated compensation.

- Compass Financial Advisory Services, LLC does not pay a referral fee for the introduction of Clients.
- Financial information is available in Item 18 of the Form ADV Part 2A – Disclosure Brochure.



Privacy Policy

Our Commitment to You

Compass Financial Advisory Services, LLC is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”). Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Compass Financial Advisory Services, LLC (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. The firm does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information while servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Employment Information and or Government ID	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service your account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information



and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

How do we share your information?

Compass Financial Advisory Services, LLC shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
Servicing our Clients. We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, consultants or other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
Marketing Purposes. Compass Financial Advisory Services, LLC does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Compass Financial Advisory Services, LLC or the Client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
Authorized Users. Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
Information About Former Clients. Compass Financial Advisory Services, LLC does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared



Other Important Information

Information for California, North Dakota, and Vermont Customers. In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.

Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at Ms. Sanders can be reached at (888) 673-5191 or by email at tara@compassfinancial.us.

