

# Freeman Capital Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Freeman Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (336) 914-0888 or by email at: [contact@freemanadvisors.co](mailto:contact@freemanadvisors.co). 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 Freeman Capital Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Freeman Capital Advisors, LLC's CRD number is: 300025.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Freeman Capital Advisors, LLC has the following material changes to report. Material changes relate to Freeman Capital Advisors, LLC's policies, practices or conflicts of interests. There are no material changes since the most recent filing of Form ADV Part 2A, dated 02/25/2021.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Freeman Capital Advisors, LLC (hereinafter “FCA”) is a Limited Liability Company organized in the State of Delaware. The firm was formed in November 2018, and the principal owner is The Freeman Capital Management Holdings, Inc., of which Calvin Williams Jr. has majority ownership.

### **B. Types of Advisory Services**

#### ***Investment Management Services & Financial Planning Services***

FCA offers ongoing Investment Management Services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FCA creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Investment Management Services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular investment management monitoring

FCA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. FCA will require discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

FCA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of FCA’s economic, investment or other financial interests. To meet its fiduciary obligations, FCA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client investment managements, and accordingly, FCA’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is FCA’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### **Third Party Managers (Outside Managers)**

FCA leverages the services Third Party Managers, for portfolio management services. We assist Clients in selecting an appropriate allocation model, and risk ensuring that the investment management strategy implemented through the use of the Third Party manager is consistent with the client’s profile, investment experience and risk tolerance. FCA periodically reviews the third party manager through the annual vendor due diligence process. Our review process and analysis of outside managers is further discussed in Item 8

of this Form ADV Part 2A. Additionally, FCA will meet with the Client on a periodic basis (no less than annually), to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

FCA offers the following Investment Management and Financial Planning Packages:

### **Investing Only plan**

This service provides an investment only platform for clients that wish to retain access to a range of investment products and seamless execution of securities transactions. The client will receive assistance with account set-up and a minimum of 2 portfolio review calls per year, and access to a monthly webinar.

### **Grind (Starter Planning)**

This service includes access to a range of investment products and seamless execution of securities transactions, as well as one consultation call with a financial adviser per year, cash flow planning, debt reduction planning, insurance needs analysis and investment planning service. The adviser will create an action plan for the client, communicate the plan to the client, and will provide a minimum of one call annually with a CFP® professional, along with ongoing support via unlimited email access and access to a monthly webinar.

### **Hustle (Foundational Planning)**

This service includes access to a range of investment products and seamless execution of securities transactions, as well as a one consultation call with a financial adviser per quarter, cash flow planning, debt reduction planning, insurance needs analysis, investment planning services, retirement planning, employee benefits review, and future education planning. Investment management services are managed with the assistance of a CFP® professional. The adviser will create a personalized financial plan for the client, communicate the plan to the client, and will provide ongoing support through monthly action steps provided to the client.

### **Flow (Legacy Planning)**

This service includes access to a range of investment products and seamless execution of securities transactions, as well as unlimited consultation calls with a financial adviser. This service provides cash flow planning, debt reduction planning, insurance needs analysis, investment planning, retirement planning, employee benefits review, future education planning, as well as the following complex categories based on the needs of the client:

- Estate Planning
- Tax Planning
- Special Needs & Dependent Care
- Small Business planning & retirement
- C-Suite Compensation
- Charitable Planning
- Business Succession
- Trust Services
- Generational Wealth Transfer

Investment management services are managed with the assistance of a CFP® professional. The adviser will create a personalized financial plan for the client, communicate the plan to the client, and will provide ongoing support through monthly action steps provided to the client.

### ***Services Limited to Specific Types of Investments***

FCA generally limits its investment advice to mutual funds, real estate funds (including REITs), equities, ETFs and treasury inflation protected/inflation-linked bonds, although FCA primarily recommends equities and ETFs. FCA may use other securities as well to help diversify investment management when applicable.

### ***Educational Seminars/Workshops***

FCA provides periodic educational seminars and workshops to clients and the general public free of charge.

### ***Subscription Services***

FCA offers newsletters to clients and the general public free of charge.

Varying discounts and promotions are available, including, but not limited to, military discounts.

## **C. Client Tailored Services and Client Imposed Restrictions**

FCA offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. FCA does not participate in wrap fee programs.

## **E. Assets Under Management**

FCA has the following assets under management:

<b>Discretionary:</b>	<b>Non-discretionary:</b>	<b>Date Calculated:</b>
\$970,416	\$0	February 2020

## **Item 5: Fees and Compensation**

Please note, unless a Client has received the firm's Disclosure Brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the Client within

five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## A. Fee Schedule

### ***Investment Management & Financial Planning fees***

The rates for the Investment Management & Financial Planning program are negotiable.

Investment Management & Financial Planning Packages	Fees
Investing Only	0.2% AUM* + \$99 per year*
Grind (Starter Planning)	\$299/yr. billed monthly at \$25/month* + 0.2% AUM*
Hustle (Foundational Planning)**	\$65/month + 0.2% AUM*
Flow (Legacy Planning)	\$750 quarterly billed at \$250 per month + 0.2% AUM*

\*AUM Fees are withdrawn by Betterment for Advisors, and any portion of the fee that is due FCA is remitted to the firm. AUM portion of the fee is billed quarterly in arrears, based on the average daily balance of the account throughout the month.

\*Clients using only the Financial Planning portion of the service will be charged according to the financial planning fees in the above listed chart, with no additional AUM fees to be charged.

\* Clients using the Investing Only or Grind Plan service may receive additional meetings with any advisor at a rate of \$97 per hour.

\*\*The Hustle Plan is available for \$180 paid quarterly or \$650 paid annually.

### ***Hourly Financial Planning Consultations (Advice)***

FCA offers one-time hourly consultations for those that have short-term needs or need advice regarding life events, at a fee of \$199 per hour. In the event of early termination by the client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check.

## **B. Payment of Fees**

### ***Payment of Investment Management Fees***

Investment Management fees are calculated based on the average daily balance of the account throughout each quarter and applied to the above listed fee schedule. Since ongoing asset management fees are paid in arrears, no refund of these fees will be required upon termination of the account.

### ***Payment of Financial Planning Program Fees***

Payment of financial planning fees are executed on either a monthly, quarterly or annual basis. Monthly fees are due in advance of each month. Should the client cancel during the first 3 months after initiating the service, the financial planning work will continue throughout the remainder of the quarter, and an invoice will be generated and the remaining fee for the quarter will be due immediately. Quarterly fees are paid quarterly in advance. Annual fees are due upfront and are non-refundable upon cancellation.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FCA. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

FCA collects fees for investment management in arrears, as indicated above. Fees for the Financial Planning Program are paid in advance. Fixed fees for the Financial Planning Program will not be refunded. Clients continue to have access until the end of the month in which services are terminated, as such no refund of fees will be due.

## **E. Outside Compensation For the Sale of Securities to Clients**

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

## **Item 6: Performance-Based Fees and Side-By-Side Management**

FCA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

FCA generally provides advisory services to Individuals. There is no account minimum for any of FCA's services.



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

### A. Methods of Analysis and Investment Strategies

#### ***Methods of Analysis***

FCA's methods of analysis include Fundamental analysis, Modern investment management theory and Quantitative analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern investment management theory** is a theory of investment that attempts to maximize investment management expected to return for a given amount of investment management risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of a various asset.

**The quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

#### ***Investment Strategies***

FCA manages different investment strategies, using algorithms, which employ a variety of investment methods relying on technical and fundamental analysis and leveraging the many proprietary pieces of investment technology that we have built. All of our programs are a blend of an absolute return allocation made up of a rotating mix of FCA strategies across equity, income, diversified, and alternative asset classes. Strategy holdings change at the discretion of FCA's Investment Management Team, depending on global asset class strength.

For some financial goals and investment managements, FCA recommendations to clients will shift over time, with the recommended allocation gradually shifting as the term of the goal approaches.

When clients deposit to or withdraw money from their FCA account, they are requesting that FCA purchase or sell available assets within their account in amounts that reflect their desired allocation. Similarly, when clients and/or their Advisors adjust a client's allocation, Freeman Capital Advisors will buy and sell Funds to approach the desired allocation.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern investment management theory** assumes that investors are risk averse, meaning that given two investment managements that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in investment management if a second investment management exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative investment management exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### ***Investment Strategies***

**FCA uses algorithms** to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by FCA's investment advisory personnel. When clients sign up for a FCA account, an algorithm, developed by FCA investment advisory personnel, determines FCA's recommended allocation based on inputs from the client. Algorithms also generate advice regarding other investment decisions, including but not limited to allocation selection, savings and withdrawal rates, automatic rebalancing, account type selection, and the amount of cash FCA recommends that retail clients maintain in the bank account they have linked to their FCA account. When clients make deposits or withdrawals from their accounts or donate shares, an algorithm determines the specific securities to trade based on a client's allocation and other directions that they have provided to FCA. Further details on each of these services, including the operation of the underlying algorithms, are available on FCA website FCA may modify periodically these algorithms, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. Additional information regarding relevant considerations for Clients considering an automated digital investment advisory program (sometimes referred to as a "robo advisor") is contained in the Investor Bulletin from the Securities and Exchange Commission available at [https://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_robo-advisers.html](https://www.sec.gov/oiea/investor-alerts-bulletins/ib_robo-advisers.html).

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation-Protected/Inflation-Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you 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.

**Equity** investment 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 environments.

**Exchange-Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real estate** funds (including REITs) face several kinds of risks that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Use of Outside Managers:** We may refer Clients to third-party investment advisers (“outside managers”). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager’s underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the manager’s compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he or she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager’s portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

### A. Criminal or Civil Actions

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

## **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither FCA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither FCA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Richard Taborda is an investment adviser representative with another firm, LBT Wealth Management, where he provides financial coaching, financial planning and investment management for a fee. However, Richard does not offer clients of FCA advice or products from this activity. Freeman Capital Advisors, LLC always acts in the best interest of the client. Clients are in no way required to utilize the services of any representative of Freeman Capital Advisors, LLC in such individual's outside capacity.

Richard Taborda is a licensed insurance agent and provides insurance related services and products for a commission through both LBT Insurance Services and Freeman Capital Insurance Group. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Freeman Capital Advisors, LLC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Freeman Capital Advisors, LLC in their capacity as a licensed insurance agent.

Calvin F. Williams Jr. is also CEO of Freeman Capital Insurance Group. Although he does not operate as a licensed insurance agent, clients should be aware that his ownership in the insurance agency may involve possible conflicts of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Freeman Capital Advisors, LLC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to purchase insurance products offered through Freeman Capital Insurance Group, or through any representative of Freeman

Capital Advisors, LLC in their capacity as a licensed insurance agent.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

As referenced in Item 4 of this brochure, FCA recommends Clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, FCA will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

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

#### **A. Code of Ethics**

FCA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. FCA's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

FCA does not recommend that clients buy or sell any security in which a related person to FCA or FCA has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of FCA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FCA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. FCA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of FCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, FCA will never engage in trading that operates to the client's disadvantage if representatives of FCA buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on FCA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and FCA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in FCA's research efforts. FCA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

#### **1. *Research and Other Soft-Dollar Benefits***

FCA currently receives soft dollar benefits by nature of our relationship with MTG, LLC dba Betterment Securities ("Betterment Securities").

#### **2. *Brokerage for Client Referrals***

FCA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transaction and this may cost Clients money over using a lower-cost custodian.

### **The Custodians and Brokers We Use (Betterment)**

FCA does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us the authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We may recommend that our Clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them

to. While we may recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment For Advisors (defined below).

### **Your Brokerage and Custody Costs**

For our Clients' accounts that Betterment Securities maintains, Betterment Securities generally does not charge you separately for custody services but is compensated as part of the Betterment For Advisors (defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "Factors Used to Select Custodians and/or Broker-Dealers").

### **Services Available to Us via Betterment For Advisors**

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

1. **SERVICES THAT BENEFIT YOU.** Betterment For Advisors includes access to a range of investment products, execution of securities transactions, and custody of Client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment For Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts, such as software and technology that may:
  - Assist with back-office functions, recordkeeping, and Client reporting of our Clients' accounts.
  - Provide access to Client account data (such as duplicate trade confirmations and account statements).
  - Provide pricing and other market data.
  - Assist with back-office functions, recordkeeping, and Client reporting.
1. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment For Advisors, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events.
  - Consulting on technology, compliance, legal, and business needs.
  - Publications and conferences on practice management and business succession.

### **Our Interest in Betterment Securities' Services**

The availability of these services from Betterment For Advisors benefits us because we do not have to produce or purchase them. In addition, we don't have to pay for Betterment Securities' services. These



services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment For Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our Clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment For Advisors and Betterment Securities' services that benefit only us.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If FCA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, FCA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. FCA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek the best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

#### **Account Reviews**

All client accounts for FCA's advisory services provided on an ongoing basis are reviewed at least annually by Calvin F Williams, CEO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at FCA are assigned to this reviewer.

All Financial Planning program accounts are reviewed upon financial plan creation and plan delivery by Calvin F Williams, CEO. Financial Planning program clients are provided on-going Financial Planning tools concerning their financial situation until services are terminated by the client or FCA.

#### **II investment Management Rebalancing**

FCA periodically rebalances the client's investment management to make sure that the optimized investment managements stay at the client's determined risk level and adjusts if that risk level changes. It attempts to do this in a tax-efficient fashion while seeking to ensure that the multiple objectives of the client remain feasible. The rebalance algorithm including when and how much should be rebalanced will be determined by FCA's AI Investment Advisor and Investment Services.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**



Reviews may be triggered by material market, economic or political events, or by changes in the client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of FCA's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. FCA will also provide at least monthly a separate written statement to the client.

Each Financial Planning program client will receive ongoing Financial Planning services until terminated by the client or FCA.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

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

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

FCA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at the client's custodian, FCA will be deemed to have limited custody of the client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

FCA provides discretionary investment advisory services to clients. The advisory contract established with

each client sets forth the discretionary authority for trading. Where investment discretion has been granted, FCA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

### **Item 17: Voting Client Securities (Proxy Voting)**

FCA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

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

#### **A. Balance Sheet**

FCA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance of services rendered, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither FCA nor its management has any financial condition that is likely to reasonably impair FCA's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

FCA has not been the subject of a bankruptcy petition in the last ten years.