

BAUERLE FINANCIAL

INCORPORATED

Phone: 407-878-1229
Fax: 407-333-4466

March 24, 2021

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Bauerle Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 407-878-1229. 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 Bauerle Financial, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Bauerle Financial, Inc. is 106775.

Bauerle Financial, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated April 3, 2020 we have amended the Form ADV Part 2A to disclose that we now offer third party advisory services. See Item 4.

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Item 4 Advisory Business

Description of Firm

Bauerle Financial, Inc.'s registration was granted by the U.S. Securities and Exchange Commission on November 1, 1995. Todd Alex Bauerle (CRD Number 1328549) is President and Chief Compliance Officer of the firm. Mr. Bauerle owns one hundred (100%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries which have any ownership interest in the firm.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Bauerle Financial, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary (and on a limited basis non-discretionary) portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our portfolio management services, we may use one or more third party money manager ("TPMM") to manage a portion of your account on a discretionary basis. The TPMM(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by TPMM(s), and may hire and fire any TPMM without your prior approval. We may pay a portion of our advisory fee to the TPMM(s) we use; however, you will not pay our firm a higher advisory fee as a result of any TPMM relationships.

Financial Planning and Consulting Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

We also offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

Selection of Other Advisers

We may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

Private Investment Fund

We are the General Partner and the investment manager to the BFI Global Total Return Fund., LTD - a pooled investment vehicle. The fund is no longer open to new investors.

Types of Investments

We primarily offer advice on ETF and Mutual Funds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic. Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

Assets Under Management

As of December 31, 2020, we provide continuous management services for \$95,761,933 in client assets on a discretionary basis, and \$6,988,778 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Portfolio Management Fees

The Investment Advisory Agreement (hereinafter referred to as "IAA") is provided to clients at the beginning of the advisory relationship. All advisory fees will be fully disclosed in the client's IAA with Bauerle Financial, Inc. The standard advisory fee structure is an annual flat fee retainer based on

factors such as the size of your portfolio and the complexity of your financial situation and services needed. In some cases, the fee structure is based on Assets Under Management ("AUM"). Fee arrangements may be negotiable and are payable quarterly in advance.

The fee incorporates ongoing financial planning 75% and investment management 25%; and it is calculated by assessing the individual client's financial situation, including but not limited to net worth, investable assets, special needs, and number of family members involved in the process; and the complexity of the client's situation, including but not limited to the number of accounts, the account types (e.g., retirement, corporate, charitable), and the types of assets (e.g., alternative investments).

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Bauerle Financial, Inc. may exclude certain assets to be billed within the portfolio based only upon written acknowledgement and agreement between us and the client. Exclusion of any asset is on a client-by-client basis.

In order to fairly compare client portfolio performance to major indices Bauerle Financial, Inc. has elected to classify both personal federal and state income taxes as well as financial planning fees as withdrawals as major indexes deduct neither from their calculations. Fees for portfolio management are deducted prior to performance being calculated thus netting the cost of asset management from total return.

Financial Planning Fees

Financial planning fees are based on the size, complexity, and nature of each client's personal and financial situation and the amount of time it will take to complete the financial planning process as outlined above. Financial planning services are offered on a flat fee basis and are commensurate with case complexity. Thereafter, all costs for an annual review and update are included with our advisory services fees. If a client desires only partial financial planning, then hourly consulting fees will apply. Hourly consulting fees will be billed at \$350.00 per hour. All fees will be billed monthly as work is completed.

We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

You may terminate the financial planning agreement upon written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

Selection of Other Advisers

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

Our recommendations to use third party money managers are included in our portfolio management fee. We do not charge you a separate fee for the selection of other advisers nor will we share in the advisory fee you pay directly to the TPMM. Advisory fees that you pay to the TPMM are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure for information on its fees and services.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

Additional Fees and Expenses

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

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

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

Item 7 Types of Clients

We offer investment advisory services to Individuals, pension plans, profit sharing plans, defined benefit plans, pooled investment vehicles, 401(k) plans, trusts, estates, charitable organizations, corporations and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

Methods of Analysis

In analyzing stock and bond investments, Bauerle Financial, Inc. will use any and/or all of the following approaches to gather information: fundamental, technical, charting, or cyclical. Such analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios, tax benefits, trends, inflection points, and other means to guide Bauerle Financial, Inc. in its allocation decisions.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Risk of Loss

All investing involves a risk of loss, and the investment strategy offered by Bauerle Financial, Inc. could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks including, but not limited to, that portfolio management techniques used by Bauerle Financial, Inc. may not produce the desired results. This could cause accounts to decline in value. In addition, Bauerle Financial, Inc. may rely on information that turns out to be wrong. Bauerle Financial, Inc. selects investments based, in part, on information provided by issuers to regulators or made directly available to Bauerle Financial, Inc. by the issuers or other sources. Bauerle Financial, Inc. is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and may result in losses. All investments in securities carry some degree of risk of loss which clients must be prepared to bear.

Potential Risks of Investing in Securities Purchased in Funds

Stock Market Risk - Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices. Investing in small- and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies may be subject to more volatility in price than larger company securities.

Foreign Securities Risk - Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency conversion; and pricing factors affecting investment in the securities of foreign businesses or governments.

Interest Rate Risk - Bonds also experience market risk as a result of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall. The reverse is also true: if interest rates fall, bond prices will generally rise. A bond with a longer maturity (or a bond fund with a longer average maturity) will typically fluctuate more in price than a shorter term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

Credit Risk - Bonds and bond mutual funds are also exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor's are generally

considered to carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Of course, bonds with lower credit ratings generally pay a higher level of income to investors.

Liquidity Risk - Liquidity risk exists when a particular security is difficult to trade. A mutual fund's investment in illiquid securities may reduce the returns of the mutual fund because the mutual fund may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all.

Call Risk - Many fixed income securities have a provision allowing the issuer to repay the debt early, otherwise known as a "call feature." Issuers often exercise this right when interest rates are low. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund would reinvest the proceeds of the payoff at current interest rates, which would likely be lower than those paid on the security that was called.

Objective/Style Risk - All of the mutual funds and investment managers are subject, in varying degrees, to objective/style risk, which is the possibility that returns from a specific type of security in which a mutual fund or manager invests will trail the returns of the overall market.

U.S. Government Agency Securities Risk - Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. If a government-sponsored entity is unable to meet its obligations, the securities of the entity will be adversely impacted.

Managed Futures Fund Risk - The funds are subject to a number of risks and may not be suitable for all investors. The funds' use of derivatives such as futures, options, structured notes and swap agreements may expose the funds to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. A highly liquid secondary market may not exist for the commodity-linked structured notes the funds invest in, and there can be no assurance that a highly liquid secondary market will develop. The funds' exposure to the commodities market may subject the funds to greater volatility as commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. When the funds invest in an ETF, in addition to directly bearing the expenses associated with their own operations, they will bear a pro rata portion of the ETF's expenses. Further, in part because of these additional expenses, the performance of an ETF may differ from the performance the funds would achieve if they invested directly in the underlying investments of an ETF. The funds are subject to tracking error risks, which may cause the funds' performance not to match that of or be lower than the funds' underlying benchmarks. The funds are considered non-diversified and can invest a greater portion of their assets in securities of individual issuers than diversified funds. As a result, changes in the market value of a single security could cause greater fluctuations in the value of fund shares than would occur in more diversified funds.

Potential Risks of Investing in Private Investment Funds (e.g., Hedge Funds, Managed Futures Funds) - Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Investing in private investment funds is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity because of redemption terms and conditions and that there may not and will not be a secondary market for the fund, volatility of returns, restrictions on transferring

interests in the fund, a potential lack of diversification, higher fees than mutual funds, lack of information regarding valuations and pricing, and advisor risk. Each prospective client investor will be required to complete a subscription agreement with the private investment fund itself, pursuant to which the client investor shall establish that he/she/it is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment. Private investment funds have liquidity risk and investors may not be able to redeem their investment per the offering document's disclosures.

Recommendation of Particular Types of Securities

We primarily recommend ETF & Mutual Funds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Item 9 Disciplinary Information

FINRA Dispute Resolution Arbitration Number 11-01845. James E. Johnson V. Bauerle Financial, Inc. and Todd Bauerle. Claimant requested compensatory damages of \$192,025. Claimant was awarded compensatory damages of \$7,500 on May 1, 2012; Claimant's requests for prejudgment interest and for punitive damages were denied. No sanctions were imposed against Todd Bauerle or Bauerle Financial, Inc.

Circuit Court of the Seventh Judicial Circuit in and for Volusia County, Florida, Case Number 2012-13065-CIDL. Estate of Marion K. Rusher v. Todd A. Bauerle and Bauerle Financial, Inc. Plaintiff filed a claim under the Florida Securities and Investors Protection Act, as well as common law claims, against Defendants. On November 30, 2012 Defendants filed a Motion to Dismiss the Complaint, arguing that the Complaint failed to comply with the Florida Rules of Civil Procedure and failed to plead its claims with particularity. Plaintiff did not file a response to the Motion to Dismiss. On April 21, 2014, Plaintiff and Defendants agreed to a Confidential Settlement Agreement. The Plaintiff voluntarily dismissed the case with prejudice.

Bauerle Financial, Inc. does not believe the foregoing matters are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management. Bauerle Financial, Inc. and Mr. Bauerle deny these allegations and these matters were settled to avoid costly, burdensome and time-consuming litigation.

After three decades of practice, we have a disciplinary history. The CFP Board investigated each claim and closed their files with no action taken. Neither the SEC nor the State of Florida chose to take any action, nor did either of my professional organizations: NAPFA or FPA. These events are disclosed in either our Form ADV or the specific individual's U-4. These documents can be found by going to Investor.gov/CRS.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

We serve as the general partner and investment manager to the BFI Global Total Return Fund, Ltd, a private pooled investment vehicle which current clients of our firm may be invested. The fund is no longer open to new investors.

We are affiliated with National Advisors Trust Company through common control and ownership. We will recommend that you use the services of National Advisors Trust if appropriate and suitable for your needs. Our advisory services are separate and distinct from the compensation paid to National Advisors Trust for their services.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Recommendation of Other Advisers

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

Item 11 Code of Ethics, Participation or Interest in Client Transaction and Personal Trading**Description of Our Code of Ethics**

As a fiduciary, Bauerle Financial, Inc. has an affirmative duty to render continuous, unbiased investment advice, and at all times act in the clients' best interest. To maintain this ethical responsibility to clients, Bauerle Financial, Inc. has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all officers, directors and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim, "Do the right thing!" Bauerle Financial, Inc.'s Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- Honest and ethical conduct.
- Full, fair and accurate disclosure.
- Compliance with applicable rules and regulations.
- Reporting of any violation to the Code.
- Accountability.

To help clients understand Bauerle Financial, Inc.'s ethical culture and standards, how Bauerle Financial, Inc. controls sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of Bauerle Financial, Inc.'s Code of Ethics is available for review upon request by all clients and prospective clients.

Participation or Interest in Client Transactions

We serve as the general partner or are affiliated with a private funds (private pooled investment vehicle) in which clients may have been solicited to invest. Our Company, certain members of its management, and other knowledgeable employees may acquire, directly or indirectly, investment interests in our fund or have other financial interests (e.g. General Partner, Officers, Board Members, etc.) in the fund. This presents a conflict of interest because we have investments and/or are compensated by the private funds. Conflicts that arise are mitigated through our Company's fiduciary obligation to act in the best interest of our clients, contractual limitations that govern our activities as adviser or general partner, as applicable, and the requirement of our Company not to place its interests before its clients' interests when managing the funds. If you are an investor in a private fund, refer to the private fund's offering documents for detailed disclosures regarding the private funds.

Personal Trading Practices

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

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of TD Ameritrade Inc., Charles Schwab & Co., Inc., and Fidelity Brokerage Services. (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

TD Ameritrade Institutional

We participate in the institutional adviser program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your

accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is

available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

Todd A. Bauerle, President, and Taylor Bauerle, Client Service Officer, will monitor your accounts on an ongoing basis and will conduct account reviews to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Todd A. Bauerle, President, and Taylor Bauerle, Client Service Officer, will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates may be subject to our then current hourly rate. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

TD Ameritrade Institutional Customer Program

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management

products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Private Investment Companies

We serve as the general partner or managing member to BFI Global Total Return Fund, LTD. (the "Fund,"), a private pooled investment vehicle which is no longer available for client new investment. In our capacity as general partner or managing member to the Fund, we will have access to the Fund's funds and securities, and therefore have custody over such funds and securities. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

Trustee Services

Todd A. Bauerle, of Bauerle Financial, Inc., serves as trustee to certain accounts for which we provide investment advisory services. Todd A. Bauerle's capacity as trustee gives our firm custody over the advisory accounts for which the individual serves as trustee. These accounts will be held with a bank, broker-dealer, or other qualified custodian. If Bauerle Financial, Inc. acts as trustee for any of your advisory accounts, you will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. You should carefully review account statements for accuracy.

Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do

so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers on a client's behalf has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

Bauerle Financial, Inc. is hereby expressly precluded from voting proxies. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. Any proxy solicitations received at Bauerle Financial, Inc.'s place of business will be immediately forwarded to the client for their evaluation and decision.

Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.