

Part 2A of Form ADV: *Firm Brochure*

**FirstWave Financial, Inc.
dba FirstWave Financial**

1300 Highway A1A, Suite 103
Satellite Beach, FL 32937
Telephone: 321-773-7773
Email: info@firstwavefinancial.com
Web Address: www.firstwavefinancial.com

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This brochure provides information about the qualifications and business practices of FirstWave Financial, Inc. dba FirstWave Financial. If you have any questions about the contents of this brochure, please contact us at 321-773-7773 or info@firstwavefinancial.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FirstWave Financial, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, 111044 (known as our "CRD number").

Item 2 Material Changes

There have not been any material changes made to this Brochure since our last annual amendment dated March 30, 2021.

Consistent with SEC rules, we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year.

Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	12
Item 6	Performance-Based Fees and Side-By-Side Management	15
Item 7	Types of Clients	15
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9	Disciplinary Information	20
Item 10	Other Financial Industry Activities and Affiliations	20
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12	Brokerage Practices	22
Item 13	Review of Accounts	24
Item 14	Client Referrals and Other Compensation	25
Item 15	Custody	25
Item 16	Investment Discretion	26
Item 17	Voting Client Securities	27
Item 18	Financial Information	29

Item 4 Advisory Business

FirstWave Financial, Inc. ("FirstWave Financial") is an SEC-registered investment adviser with its principal place of business located in Florida. FirstWave Financial began conducting business in 1995.

Listed below is the firm's indirect owner (i.e., those individuals and/or entities controlling 25% or more of this company).

- Laura K. Chiesman

FWF offers portfolio management, participant-directed employee benefit services, miscellaneous financial planning and other services to its clients. These services are explained below.

PORTFOLIO MANAGEMENT

FWF provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client.

Through personal discussions where goals and objectives based on a client's particular circumstances are established, we help our clients develop a personal investment objective and create and manage a portfolio based on that objective. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs.

As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We will generally manage advisory accounts on a discretionary basis which means that we will implement transactions without seeking prior client consent.

Clients may impose reasonable restrictions on our discretionary authority, such as limiting the types securities or investment strategies utilized to service their account.

Our investment recommendations consist mainly of mutual fund shares. However, clients may have other types of securities included in their portfolios when they become FWF clients.

Therefore, we may also offer advice on the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Fixed and Variable annuities
- Variable life insurance
- United States governmental securities
- Limited Partnerships/Unit Trusts

FWF primarily recommends target portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA).

DFA sponsored mutual funds follow a passive asset class investment philosophy with low turnover.

Consequently, the DFA fund fees are generally lower than fees and expenses charged by other types of funds. DFA fund fees are disclosed in each fund's prospectus. We may also recommend fixed income securities to our advisory clients.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

PARTICIPANT-DIRECTED EMPLOYEE BENEFIT PLAN SERVICES

FWF also provides advisory services to participant-directed employee benefit plans through a five step process called The Retirement Plan Optimizer™. FWF will develop an understanding of the plan and, based on in-depth interviews with company personnel and

reading of plan documents, will work to assist the plan sponsor in achieving their goals and objectives. A written report is provided summarizing these findings.

FWF will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed.

FWF will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles. FWF will recommend changes in the plan's investment vehicles as may be appropriate from time to time. FWF will review the plan's investment vehicles and investment policy as necessary.

FWF utilizes the services of outside third party administrators who offer administrative services to the plans. These services are separate and distinct from the advisory service of FWF and are offered for separate and typical compensation, not included in FWF's advisory fees. FWF may determine to bear, at its sole discretion, any fees for third-party services.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation

Services. FWF may provide financial planning and related consulting services. Neither FWF nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. FWF does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with FWF, if desired.

Subsequent to the initial financial planning engagement for a separate fee as described below, to the extent requested by the client thereafter, FWF may provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. FWF may provide such consulting services inclusive of its advisory fee set forth at Item 5 below and/or for a separate and additional fee, based upon assets under management, special projects, etc.).

FWF **does not** serve as an attorney or accountant, and no portion of its services should be construed as same. Accordingly, FWF **does not** prepare estate planning documents or tax returns. To the extent requested by a client, FWF may recommend the services of other

professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including representatives of FWF in their separate individual capacities as licensed insurance agents.

The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FWF and/or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** FWF, shall be responsible for the quality and competency of the services provided.

Financial planning is an integrated evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans.

The key defining aspect of financial planning is that through the financial planning process, questions, information and analysis will be considered as they impact and are impacted by the overall financial and life situation of the client.

As part of The WealthCare Solution™, clients receive a written report, providing them with a detailed financial plan designed to achieve their stated financial goals and objectives.

A financial planning engagement can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various strategies on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio. We do this by performing in-depth client interviews and collecting any necessary and related documents from the client.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

- **ESTATE PLANNING:** We review the client's cash needs at death, income needs of surviving dependents and estate taxes that may be due.
- **RISK MANAGEMENT & ASSET PROTECTION:** We determine appropriate strategies to address health, property and professional risks a client may face.

FWF gathers the required information to develop a client's financial plan through in-depth personal interviews. Information gathered includes the client's current financial status, future goals and attitude towards risk. We carefully analyze documents supplied by the client, including a questionnaire completed by the client, and prepare a written report.

FWF works together with the client and other professional advisers such as attorney, accountant, insurance agent, etc. to implement the recommendations contained in the plan. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FWF.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** FWF, shall be responsible for the quality and competency of the services provided.

Non-Discretionary Service Limitations. Clients that determine to engage FWF on a non-discretionary investment advisory basis must be willing to accept that FWF cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Therefore, in the event that FWF would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, FWF will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

Retirement Rollovers- Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers

are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If FWF recommends that a client roll over their retirement plan assets into an account to be managed by FWF, such a recommendation creates a conflict of interest if FWF will earn new (or increase its current) compensation as a result of the rollover. If FWF provides a recommendation as to whether a client should engage in a rollover or not, FWF is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by FWF.

Use of Mutual Funds: Most mutual funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by FWF independent of engaging FWF as an investment advisor. However, if a prospective client determines to do so, he/she will not receive FWF’s initial and ongoing investment advisory services.

Use of DFA Mutual Funds: FWF utilizes mutual funds issued by Dimensional Fund Advisors (“DFA”). DFA funds are generally only available through registered investment advisers. Therefore, if the client was to terminate FWF’s services, and not transition to another adviser who utilizes DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply.

Cryptocurrency. FWF does not recommend or advocate the purchase of, or investment in, cryptocurrencies. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, FWF will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment. FWF considers such an investment to be speculative. Clients who authorize the purchase of a

cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

Socially Responsible Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance considerations into the investment due diligence process (“ESG”). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by FWF), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful.

Cash Positions. FWF continues to treat cash as an asset class. As such, unless determined to the contrary by FWF, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating FWF’s advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), FWF may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, FWF’s advisory fee could exceed the interest paid by the client’s money market fund.

Portfolio Activity. FWF has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, FWF will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when FWF determines that changes to a client’s portfolio are neither

necessary nor prudent. Additionally, FirstWave Financial provides limited advice and due diligence with respect to fixed annuities and legacy positions on certain investments. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Account Aggregation Services. In conjunction with the services provided by third party vendors, FWF may also provide periodic comprehensive reporting services, which can incorporate all of the client's investment assets including those investment assets that are not part of the assets managed by FWF (the "Excluded Assets"). FWF's service relative to the Excluded Assets is limited to reporting services only, which does not include investment implementation. Because FWF does not have trading authority for the Excluded Assets, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not FWF, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The client and/or their other advisors that maintain trading authority, and not FWF, shall be exclusively responsible for the investment performance of the Excluded Assets. Without limiting the above, FWF shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that FWF provide investment management services with respect to the Excluded Assets, the client may engage FWF to do so pursuant to the terms and conditions of the Agreement between FWF and the client.

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

Disclosure Statement. A copy of FWF's written Brochure and Client Relationship Summary, as set forth in this Part 2A of Form ADV and Form CRS respectively, shall be provided to

each client prior to, or contemporaneously with, the execution of any agreement engaging FWF to provide advisory services.

AMOUNT OF MANAGED ASSETS

As of December 31, 2021, we were managing \$390,325,337 of clients' assets on a discretionary basis and \$17,313,636 of client's assets on a non-discretionary basis.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT FEES

FWF's fee for portfolio management services, as well as the monitoring and updating of the financial plan, will be charged as a percentage of assets under management, according to the following schedule:

<i>Assets Under Management</i>	<i>Annual Fee (%)</i>
Up to \$1,000,000	1.50%
The next \$1,000,001 - \$3,000,000	1.25%
The next \$3,000,001 - \$5,000,000	1.00%
The next \$5,000,001 - \$10,000,000	0.75%
The next \$10,000,001 - \$20,000,000	0.50%
The next \$20,000,001 and above	0.25%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account (assets under management) at the end of the previous quarter, including any accrued interest. Please Note: the value of fixed annuities and client's legacy positions will be included in client's total assets under management.

A new client may get billed in arrears for the first billing period. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

PARTICIPANT-DIRECTED EMPLOYEE BENEFIT PLAN SERVICES FEES

The annual fee for participant-directed employee benefit plan services will be charged as a percentage of assets, billed quarterly in advance based on the market value of plan assets on the last day of the preceding quarter.

There are a number of factors that could impact pricing for any given client. The factors are discussed prior to acceptance of the service agreement. These factors include but are not limited to:

- Number of participants in plan
- Fixed minimum fee for start-up plans
- Frequency of enrollment meetings per year
- Number of enrollment locations

FINANCIAL PLANNING FEES

FWF's financial planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Typically, the fee for an initial financial plan is \$4,000. Financial planning fees are due and payable at the time the client agreement is executed. Typically the financial plan will be presented to the client within 90 days of the contract date, provided that all the information needed to prepare the financial plan has been promptly provided by the client. After the initial financial plan is prepared, the fee charged for portfolio management services will include the monitoring and updating of the client's financial plan.

GENERAL INFORMATION REGARDING FEES

The principal executive officer, the company and other employees of FWF are separately licensed as insurance agents. As such, these individuals/entity, in their separate capacities as registered representatives and/or insurance agents, will be able to purchase insurance products for clients. As a result, FWF will receive separate, yet customary compensation (i.e., commissions or other sales-related forms of compensation). These individuals may spend as much as 5% of their time on this related activity.

A conflict of interest exists as a result of these individuals receiving commissions from insurance companies; however, FWF selects insurance products from a vast array of companies and keeps the clients' needs in mind before recommending an insurance product. Clients are under no obligation to act upon any recommendation of insurance products.

Limited Negotiability of Advisory Fees: Although FWF has established the aforementioned fee schedule(s), FWF, in its sole discretion, may charge a lesser investment advisory fee, waive advisory fees on certain legacy positions, and/or a charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.).

As result of the above, including clients grandfathered under older fee schedules, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded on a pro rata basis.

Mutual Fund Fees: All fees paid to FWF for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including,

but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to FWF's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements may differ among clients.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Third-Party Fees: FirstWave Financial may determine to bear the fees for third party services to its clients at its sole discretion.

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

FWF does not charge performance-based fees.

Fees are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 Types of Clients

FWF provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)

- Corporations or other businesses not listed above

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

METHODS OF ANALYSIS

FWF's security analysis is based on a number of factors including those derived from commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis that clients may request.

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

FWF's investment advice is based on long-term investment strategies incorporating the belief that markets are efficient and that investors' returns are determined principally by asset allocation decisions, not by market timing or stock picking.

FWF focuses on developing diversified portfolio strategies, principally through the use of passively managed, asset class mutual funds that are available only to institutional investors and clients of a network of selected investment advisers.

FWF may also recommend the use of long-term investment techniques such as dollar-cost averaging.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is

underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF 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 also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be

incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

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

Investors generally face the following types of investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- Margin-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- Pledged Assets Loan- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, FWF does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). FWF does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to FWF:

- by taking the loan rather than liquidating assets in the client's account, FWF continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by FWF, FWF will receive an advisory fee on the invested amount; and,
- if FWF's advisory fee is based upon the higher margined account value, FWF will earn a correspondingly higher advisory fee. This could provide FWF with a disincentive to encourage the client to discontinue the use of margin.

The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

Item 9 Disciplinary Information

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

FWF is also a licensed insurance agency. Certain of FWF's representatives, in their individual capacities, are licensed insurance agents. Clients can engage certain of FWF's representatives to purchase insurance products on a commission basis. Generally, FWF's representatives refer the client to an unaffiliated experienced insurance professional. In the event that the client purchases an insurance product from the unaffiliated insurance professional, FWF shall generally receive a portion of the insurance commission.

The recommendation by FWF's representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's needs.

No client is under any obligation to purchase any commission products from FWF and/or any recommended unaffiliated insurance professional. Clients are reminded that they may purchase insurance products recommended by FWF through other, non-affiliated agents.

No client is under any obligation to purchase any commission product from FWF.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

FWF and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement and recordkeeping provisions.

FWF's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information.

While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to info@firstwavefinancial.com, or by calling us at 321-773-7773.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

In the event that the client requests that FWF recommend a broker-dealer/custodian for execution and/or custodial services, FWF generally recommends that investment advisory accounts be maintained at Charles Schwab & Co., Inc. ("Schwab"). Prior to engaging FWF to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with FWF setting forth the terms and conditions under which FWF shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that FWF considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with FWF, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by FWF's clients shall comply with FWF's duty to seek best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where FWF determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although FWF will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. Unless services are provided in conjunction with a wrap program, transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, FWF's investment advisory fee.

Non-Soft Dollar Research and Benefits: Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, FWF receives from Schwab (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor, including DFA) without cost (and/or at a discount) support services and/or products, certain of which assist FWF to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by FWF can be investment-related research, pricing information and

market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by FWF in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist FWF in managing and administering client accounts. Others do not directly provide such assistance, but rather assist FWF to manage and further develop its business enterprise.

There is no corresponding commitment made by FWF to Schwab, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Directed Brokerage. The Firm recommends that its clients utilize the brokerage and custodial services provided by Schwab. The Firm generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Firm. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Firm to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Firm. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Order Aggregation. Transactions for each client account generally will be effected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. Firm may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among Firm’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

Financial Planning Services

- **Reviews**

Clients who pay for financial plans receive updated projections as needed, with no additional financial planning fee. In between financial plan updates, the strategies developed for the client are reviewed and implemented.

- **Reports**

Clients receive reports when their original financial plan is developed and whenever they receive an update to the plan.

Portfolio Management Services

- **Reviews**

Account assets are supervised continuously and formally reviewed at least annually. Accounts are reviewed for consistency with client investment strategy, asset allocation, and risk tolerance.

- **Reports**

In addition to the periodic statements and confirmations of transactions that these

clients receive from their broker dealer and/or custodian(s), we will provide quarterly reports summarizing account performance, balances and holdings.

Participant-Directed Employee Benefit Plan Services

- Reviews

Retirement plan assets are reviewed on an annual basis for consistency with the client's investment policy statement.

- Reports

In addition to the periodic statements the client receives from their broker/custodian, we, or one of our strategic alliances, provide quarterly reports for each of the participants in the plan as well as a summary for the plan as a whole. We also prepare annual reports consisting of an executive summary of the assets, a review of the decision to offer specific investments and use a particular custodian, and an updated investment policy statement.

All accounts are reviewed by a registered investment adviser representative of the firm.

Item 14 Client Referrals and Other Compensation

As indicated at Item 12 above, FWF receives from Schwab (and/or others) without cost (and/or at a discount), support services and/or products. There is no corresponding commitment made by FWF to Schwab, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

We do not compensate any non-related person for client referrals.

Item 15 Custody

FWF shall have the ability to deduct its advisory fee from the client's custodial account on a quarterly basis. Clients are provided with written transaction confirmation notices, and a

written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly.

To the extent that FWF provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by FWF with the account statements received from the account custodian.

The account custodian does not verify the accuracy of FWF's advisory fee calculation.

FWF provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from FWF to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

We generally vote proxies for all client accounts; however, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing to not vote proxies in their account. We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. In the event a client elects to vote proxies themselves, the client will receive proxy solicitations directly from their custodian.

With respect to ERISA accounts, we offer to vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Laura Chiesman by telephone, email, or in writing. Clients must ensure that Laura receives these communications otherwise it is possible that your request may not be honored. Clients can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover).

These requests must be made in writing. Clients can also instruct us on how to cast their vote in a particular proxy contest by contacting us at 1300 Highway A1A, Suite 103, Satellite Beach, FL 32937 or by phone at 321-773-7773.

We have contracted with Broadridge Financial Solutions ("Broadridge") to use their Proxy Edge® platform ("PE"). PE provides proxy voting support by casting votes and keeping voting records. Under the terms of our arrangement with Broadridge, we generally follow the recommendations of Glass, Lewis & Co. ("Glass Lewis"). Glass Lewis is a neutral third party that issues recommendations based on its own internal guidelines and research, and retains a record of all of its recommendations. We believe that the retention of Glass Lewis to provide advice with respect to proxy voting is an efficient and effective means to assist us in complying with our fiduciary duties to clients, and also provides a means to avoid any impact on voting decisions that might arise from any conflicts of interests between our clients and us.

We may vote client securities in a manner that is inconsistent with Glass Lewis' recommendations when we believe it is in the best interest of our client and such a vote does not create a conflict of interest between our client and us. In such a case, we will keep a record of why we did not feel Glass Lewis' recommendation was in our client's best interest.

Our policies do not require us to vote every proxy we receive. This may be done, for example, if: (i) the resolution of the proxy is not relevant to the client's investment; (ii) we believe the cost of voting the proxy outweighs the potential benefit derived from voting; (iii) a proxy is received with respect to securities that are no longer held; (iv) the terms of a securities lending agreement prevent us from voting a loaned security; (v) we (or PE) receive proxy materials without sufficient time to reach an informed voting decision and vote the proxies; (vi) Glass Lewis does not have a recommendation; or (vii) the terms of the security or any related agreement or applicable law preclude us from voting.

We do not disclose proxy votes to clients regarding votes cast for other clients and do not disclose such information to third parties, unless specifically requested in writing by the affected client.

Since we generally vote in accordance with Glass Lewis' recommendations, we do not believe that any conflicts of interest will impact our vote. When voting client securities in a manner that is inconsistent with Glass Lewis' recommendations, we will review any conflicts of interest that are identified. Our Chief Compliance Officer or designee will attempt to resolve the conflict of interest before we vote. In the event that the material conflict of interest cannot be reasonably resolved prior to voting, we will disclose the conflict to our client, obtain client consent or take other steps designed to ensure that a decision to vote the proxy was based on the determination of our client's best interest and was not the product of the conflict.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Laura Chiesman, Chief Compliance Officer, by telephone, email, or in writing. Clients may request, in writing, information on how proxies for their shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for their account(s), we will promptly provide such information to the client.

If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make reasonable efforts to forward such notices in a timely manner.

Item 18 Financial Information

FWF has no additional or financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

FWF has not been the subject of a bankruptcy petition at any time during the past ten years.