

Folger Nolan Fleming Douglas Incorporated

725 15th Street, NW

Washington, DC 20005

(202) 626-5220

www.fnfd.com

March 3, 2023

This wrap fee program brochure provides information about the qualifications and business practices of Folger Nolan Fleming Douglas Incorporated (“FNFD”). If you have any questions about the content of this brochure, please contact Christopher Durchanek, Executive Vice President at (202) 626-5326. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Additional information about FNFD is also available on the SEC’s website at www.advisorinfo.sec.gov.

FNFD is a registered investment adviser with the U.S. Securities and Exchange Commission. Registration of an investment advisor does not imply by itself any specific level of skill or training. This wrap fee disclosure brochure provides information about FNFD to assist you in determining whether to retain FNFD as your investment adviser.

Material Changes

This wrap fee program brochure, dated March 3, 2023, is an other-than-annual update from our previous brochure dated March 31, 2022.

[Item 4] (Services, Fees and Compensation) has been updated to reflect FNFD's Regulation Best Interest policies and procedures (including, wrap fee policies and procedures) adopted on February 3, 2023.

Brochure Table of Contents

<u>Item</u>	<u>Page(s)</u>
Material Changes.....	2
Services, Fees and Compensation.....	4
FNFD Advisor Directed Solutions	5
Lockwood AdvisorFlex Portfolios (“AFP”).....	6
Programs Generally.....	7
Custody.....	9
Account Requirements and Types of Clients	9
Account Requirements.....	9
Types of Clients.....	10
Portfolio Manager Selection and Evaluation	10
Advisory Business	10
Performance-Based Fees and Side-by-Side Management.....	10
Methods of Analysis, Investment Strategies and Risk of Loss	11
<i>FNFD Advisor Directed Solutions</i>	11
<i>Other Programs</i>	12
Risk in the Use of Margin.....	12
Voting Client Securities	12
Client Information Provided to Portfolio Managers.....	12
Client Contact with Portfolio Managers	12
Additional Information.....	12
Disciplinary Information.....	12
Other Financial Industry Activities and Affiliations	13
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Review of Accounts	14
Client Referrals and Other Compensation	14
Financial Information	14
Requirements for State-Registered Advisers	14

Services, Fees and Compensation

FNFD is a dually registered broker-dealer and investment adviser. FNFD was formed as a broker-dealer in 1931, and has a history as an investment firm dating back to 1889. FNFD registered as an investment adviser in 2007 to participate as an investment adviser in wrap fee (all-inclusive fee that covers generally, advisory, brokerage, custodial and reporting services) programs. FNFD is principally owned by several trusts of which members of the Folger family are beneficiaries

Customers' Best Interest

As a dually-registered investment adviser and broker-dealer, FNFD must act in the client's best interest and not put the Firm's interest ahead of yours. Securities may be purchased in either a brokerage account with the transaction subject to a commission or transaction-based compensation, or in a fee-based advisory account subject to an annualized wrap fee. In more limited circumstances and where appropriate, the Firm offers private wealth management services under which securities may also be purchased in a standard advisory account subject to an annual fee based on assets under management. FNFD's private wealth management business is generally not viewed as a reasonable alternative to investing either through FNFD's brokerage account option or wrap fee program and is described in a separate Brochure (available from your Financial Adviser upon request). FNFD, as discussed below, provides non-discretionary investment advice and recommendations regarding securities. Clients interested in discretionary investment management services may consider the services of FNFD's affiliated registered investment adviser, Folger Nolan Fleming Douglas Capital Management, Inc. (see discussion below, "Other Financial Industry Activities and Affiliations").

Consistent with the requirements applicable to the Firm when making recommendations to retail customers in a brokerage account (including recommendations regarding account type), the Firm has adopted Regulation Best Interest ("Reg. BI") policies and procedures. FNFD's Reg. BI policies and procedures address, among other things: (i) identifying and mitigating or eliminating conflicts of interest; (ii) exercising reasonable due diligence when providing recommendations; and (iii) disclosing information regarding material facts about the relationship and recommendations offered.

As noted above, securities are generally purchased in either a brokerage account (subject to transaction-based fees) or a fee-based advisory account (subject to a wrap fee). When evaluating the account type for a retail customer, including the suitability of a wrap fee account, the Firm considers the following, as applicable:

- The nature and extent of services and products provided in the account;
- The projected cost to the retail customer of the account;
- Alternative account types that might be available;
- The types of services that are requested by the retail customer; and
- The investment profile of the retail customer.

The wrap fees FNFD receives may be more than if clients paid separately for investment advice, brokerage commissions and other services, such as in a traditional broker-dealer account relationship in which commissions may be paid on a trade by trade basis. In particular this will likely be the case for a strategy involving low levels of trading activity. Therefore, FNFD Financial Advisers may have a financial incentive to recommend a wrap fee program account over a brokerage account. On the other hand, the more trading activity that occurs in a brokerage account, the greater the revenue earned by FNFD and its Financial Advisers. In a brokerage account, FNFD and its Financial Advisers may have an incentive to recommend an investment strategy that typically results in higher levels of trading activity. It is FNFD's intent however, to make all recommendations independent of such fee considerations and based solely in the best interest of the client, including taking into consideration the client's needs and investment objectives.

Regarding FNFD's wrap fee programs, clients should consider the value of the additional advisory services when evaluating account type selections. The custodial, advisory, and brokerage services offered in combination through a wrap fee account may not be available separately or may require multiple accounts, documentation, and fees. In addition, certain advisers may not be available to certain clients outside the Programs because of minimum account sizes, fee schedules, geographic availability, or other factors. Clients should also carefully consider past and anticipated levels of trading, holdings of eligible Program Assets (defined below), investment trading strategies and trading patterns (including anticipated frequency, number, and size of trades), and the costs and potential benefits of the wrap fee program as compared to paying commissions on a per transaction

basis.

The Firm has also adopted wrap fee policies and procedures designed to evaluate the continued suitability of such accounts. Suitability of such accounts will be determined by the level of investment advice requested (e.g., requesting financial or investment planning would suggest a fee-based advisory account is more suitable than a brokerage account). Another factor considered by the Firm is the level of trading activity, which is dependent on a number of factors, including, but not limited to: (i) the investment strategy and types of securities traded (e.g., equities, fixed income, mutual funds/ETFs); and (ii) the investment objectives within the account. For example, for mutual funds, an overall number of trades may be a less relevant indicator of suitability than for equity or mixed accounts. In addition, in many cases, FNFD's clients seek to implement long term, buy-and-hold investment objectives. As a result, such investment objectives typically require a longer time period in order to evaluate the effectiveness and suitability of the account, thus resulting in longer periods of trading inactivity or low levels of trading for longer than a typical annual review period. The Firm's wrap fee policies and procedures also include procedures to monitor for prescribed low levels of trading activity and to periodically correspond with clients to discuss the continued suitability of a wrap fee account.

FNFD serves as the Sponsor of the FNFD Advisor Directed Solutions and FNFD Managed Account Solutions Programs and the wrap fee accounts available in the Programs. FNFD has entered into an agreement with Lockwood Advisors, Inc. ("Lockwood"), pursuant to which Lockwood provides sub-advisory and/or other services to FNFD clients in connection with certain wrap fee programs available from FNFD. Clients of the Programs described herein are clients of FNFD.

FNFD Advisor Directed Solutions

In the Advisor Directed Program, FNFD Financial Advisors provide clients with non-discretionary investment recommendations, which the client must accept before FNFD effects a transaction on the client's behalf. FNFD through its Financial Advisors seeks to recommend securities consistent with the client's investment objectives, financial situation, risk tolerance, and any investment restrictions. Financial Advisors provide recommendations on the basis of research and analysis that FNFD reasonably deems to be reliable but are not guaranteed. Clients may accept FNFD recommendations or may select investments themselves for their own accounts. FNFD provides monitoring and reporting of portfolio performance to clients on a periodic basis.

Most types of securities are eligible for purchase in an Advisor Directed account including, but not limited to common stocks, fixed income securities, exchange-traded funds and certain mutual funds whose shares can be purchased at net asset value. Collectively, these are referred to as "Program Assets". Program Assets also includes cash or cash equivalents such as money market mutual funds held in a client's account. Certain assets are not eligible as Program Assets, and are referred to collectively as "Excluded Assets". Excluded Assets may be held in an Advisor Directed account and will not be included in fee calculations.

Advisor Directed accounts are charged an all-inclusive wrap fee on Program assets that covers advisory, brokerage, custodial, and reporting services. For certain clients participating in the Advisor Directed Program, FNFD may make available a fixed income portfolio analysis, and based upon that analysis may make fixed income portfolio recommendations. If accepted by the client, the fixed income securities may be purchased through FNFD for inclusion in a client's Advisor Directed account.

In deciding whether this Program is appropriate, the client should carefully consider all relevant factors, including past and anticipated levels of trading and holdings of eligible Program Assets, investment strategies and trading patterns (including the frequency of transactions and the number and size of the transactions that you anticipate effecting in the Program Accounts), the costs and potential benefits of this type of Program Account as compared to paying commissions on a per transaction basis, the management fee's effect on the yield of fixed income securities, and your investment objectives and goals.

FNFD shall not be responsible for any transactions in the Account which FNFD has not recommended. The Advisor Directed Program is not intended to accommodate frequent trading, and FNFD may in its sole discretion close an account that engages in what FNFD deems in its sole discretion to be excessive trading.

Advisor Directed accounts are subject to an annual minimum fee of \$100.00 per year.

FNFD Managed Account Solutions

In the FNFD Managed Account Program, FNFD Financial Advisors provide recommendations for separately managed accounts from third-party money managers and/or recommended model portfolios from third-party managers. The third-party managers act as discretionary investment advisers and will buy, sell, or otherwise trade securities in the Account, in accordance with the Client's investment objectives and other circumstances, without discussing these transactions with the Client in advance. Such securities may include, but are not limited to, mutual funds, exchange-traded funds ("ETFs"), common or preferred stocks, warrants, rights, and corporate, government, or municipal bonds or notes. Managed Account Solutions accounts are charged an all-inclusive wrap fee on Program assets that covers advisory, brokerage, custodial, and reporting services. All or a portion of the account may be held in cash. In making investment recommendations with respect to the account, FNFD Financial Advisors will rely on the information contained in the Client's account opening documents. Client agrees to inform FNFD in writing of any material change in the Client's circumstances which might affect the manner in which Client's assets should be invested.

FNFD Managed Account Solutions Programs are as follows.

Personalized Unified Managed Accounts ("PMA")

Third-party managers that allows the client to select managers from a list of investment advisors and may choose to invest with a single manager or portfolio, or to allocate or select a multi-strategy blend of managers with respective target allocations. When an account or a portion of an account is allocated to a manager, the manager will invest the allocation on a discretionary basis and FNFD will not be responsible for any decisions as to the day-to-day management of the account. For certain non-US resident accounts FNFD has the discretionary authority to remove a manager from the management of an account.

Investment minimums vary depending upon the manager or managers selected.

Third-Party Separately Managed Accounts ("SMA")

In consultation with their Financial Advisor a client may choose, available through Lockwood, third-party managers for separately managed accounts for equity and fixed income strategies.

For a full description of the services and fees for a specific separate account manager see the manager's Brochure available from your FA.

Lockwood AdvisorFlex Portfolios ("AFP")

The AFP investment option is a mutual fund and ETF wrap program, which includes three objectives-based strategies (Capital Appreciation, Income, and Preservation). Multiple Models are available for each strategy, as described in the Lockwood Firm Brochure.

For a full description of the services and fees for AFP see the Lockwood Firm Brochure.

Lockwood WealthStart Portfolios ("WealthStart")

In this investment option Lockwood allocates your assets systematically across multiple asset classes and styles in a single portfolio. Assets are primarily invested in ETFs, but may be invested in other securities, such as open or closed-end mutual funds. Lockwood determines the asset allocation strategy and selects investments for each investment style in the portfolio, based on its proprietary approach to asset allocation, as well as its macroeconomic outlook and investment discipline. WealthStart consists of twelve core Models, as described in the Lockwood Firm Brochure.

For a full description of the services and fees for WealthStart see the Lockwood Firm Brochure.

Lockwood Asset Allocation Portfolios (“LAAP”)

In this investment option Lockwood determines asset allocation strategy and selects investments for each investment style component of LAAP based on its proprietary approach to asset allocation, macroeconomic outlook and investment discipline. LAAP consist of five core Models, each of which may consist of mutual funds, ETFs and other types of investment vehicles, as determined by Lockwood. The Models are described in the Lockwood Firm Brochure.

For a full description of the services and fees for LAAP see the Lockwood Firm Brochure.

Lockwood Third-Party Strategists (“LTP”)

In this option Lockwood makes available a Third-Party Strategist product which allows access to asset allocation models generated by third-party providers. Clients can select the model or models in which they would like their account assets managed. Lockwood serves as the discretionary manager and, in that capacity, may change assets, timing of portfolio changes, style and/or investment vehicle allocations as described in the Lockwood Firm Brochure.

For a full description of the services and fees for LTP see the Lockwood Firm Brochure.

Third-party model portfolio accounts are subject to an annual minimum fee of \$150.00 per year.

Third-party separately managed accounts are subject to an annual minimum fee of \$200.00 per year.

Programs Generally

Under the Programs, FNFD effects securities transactions as agent for clients but receives no additional brokerage execution compensation over and above its portion of the Program management fee. Not all advisers require their clients to direct brokerage. Because the Program fees are all-inclusive wrap fees, participation in the Programs requires that transactions be directed to FNFD with execution and clearance performed on a fully disclosed basis by Pershing.

As a general matter, FNFD considers it appropriate to use the execution and clearance services provided for in the brokerage clearing agreement with Pershing for the purchase and sale of securities involved in the Programs. On occasion, FNFD, the third-party manager, sub-advisor, or clients may designate other brokers or other legal requirements may dictate the use of other brokers. Costs and transaction fees arising out of transactions effected by entities other than FNFD or its agent will be separately borne by clients.

Pursuant to the clearing agreement between FNFD and Pershing, Pershing performs for FNFD certain custodial functions customarily performed with respect to securities brokerage accounts, which, among other things, will include crediting of interest and dividends on account assets and crediting of principal on called or matured securities in the account.

Pershing provides FNFD with clearance, execution, certain administrative, computer software and documentation services in order that FNFD may provide the Program services. FNFD compensates Pershing pursuant to a brokerage clearance fee schedule. FNFD also receives research and other analysis from Pershing as a result of this relationship.

Unless agreed upon otherwise, Program clients authorize FNFD to deduct quarterly, in advance, from the account(s) of the client the fee at the rate indicated in the FNFD Investment Management Agreement.

The fee does not include certain dealer markups or markdowns, costs attributable to “spreads” between the inter-dealer purchase and sales price, odd lot differentials, transfer taxes, exchange fees (among which SEC fees may be included), and any other fees required by law. Non-brokerage-related fees, such as IRA custodial, fund transfer or wire fees, are not included in the wrap fee and may be charged to Program accounts separately.

For clients invested in mutual funds or ETFs, the annual fee is in addition to the fees and expenses charged by the underlying mutual funds or ETF, as set forth in the prospectus of such investment company.

The initial fee is calculated as of the date that the account is accepted into the Program and covers the remainder of the calendar quarter. Subsequent fees will be determined for calendar quarter periods and shall be calculated on the basis of the market value of the securities and cash held for the particular account of the Client on the last business day of the preceding calendar quarter.

No fee adjustment will be made during any fee period for appreciation or depreciation in the value of the assets in the Account during that period. The Account will be charged or refunded a prorated adjustment fee on any net additions or net withdrawals in the account during the fee period. The adjustment fee will be calculated following the end of the period and a prorated rebate or charge will be processed and credited/debited from the clients account.

Whenever there are changes to the fee schedule, the schedule charges previously in effect shall continue until the next billing cycle. Established fees may not be increased unless the Client executes a new agreement. The minimum account size may be different for IRA (or otherwise qualified) accounts. To the extent a minimum fee is established for these Program accounts, the fee may cause the effective Program Fee rate (expressed as a percentage) to be greater than the fee rate specified.

The wrap fee charged is split between FNFD, and, if applicable, the third-party or sub-advisors to the Program. In addition, FNFD pays a portion of the fee to Pershing for inclusion of the wrap fee account on the Pershing Managed Account Solutions Platform. The split of the total annualized fee may vary over time based upon the total account value and/or overall asset allocations. Annualized Program fees received by Pershing range between 1.0 and 18.0 basis points, and for third-party or sub-advisors between 20 and 56 basis points. The advisory fee received by FNFD is the total fee charged less the portions retained by Pershing and any Program third-party or sub-advisors. The total annualized advisory fee charged is disclosed in the FNFD Investment Management Agreement. The maximum annualized fee that may be charged is 2.5%.

FNFD earns more compensation as a result of a third party manager that charges less in management fees, than managers that charge greater amounts. As a result, FNFD has an incentive to recommend third party managers that charge less than other third party managers that are available within a recommended Program. FNFD seeks to recommend third party managers consistent with the client's investment objectives, financial situation, risk tolerance, and other factors. Clients may accept the FNFD third party manager recommendation or may select the third party manager themselves.

Investment advisory fees may be negotiable, may vary and may be higher or lower than other client's fees depending on a range of factors including, but not limited to, account size, types of assets under management, relationship with other accounts, and extent of supplemental services to be provided. Relationships with other accounts includes both investment advisory (managed) and non-managed accounts maintained with FNFD. Program fees may vary among accounts of the same size using the same Program. Clients should consider the value of the additional advisory services when making comparisons. The custodial, advisory, and brokerage services offered in combination through the Programs may not be available separately or may require multiple accounts, documentation, and fees. In addition, certain advisors may not be available to certain clients outside the Programs because of minimum account sizes, fee schedules, geographic availability, or other factors. Fees for separately managed accounts third-party managers and asset allocation third-party providers are not negotiable.

FNFD Financial Advisors are compensated solely by FNFD. A portion of the fees received by FNFD for Programs is normally paid by FNFD to its Financial Advisors in connection with the introduction of accounts and/or the provision of client-related services within those Programs. The portion of the fee paid by FNFD to its Financial Advisors ranges from 20% to 50% of the Program fees, before deduction of the proportion of the Program fees charged to accounts by Pershing.

The Program fees FNFD receives may be more than if clients paid separately for investment advice, brokerage commissions and other services, such as in a traditional broker-dealer account relationship in which commissions may be paid on a trade by trade basis. In particular this will likely be the case for a strategy involving minimal trading activity. Clients also acknowledge that fees charged their accounts under Programs may be higher than those otherwise available if a client selected an investment advisor and the investment advisor were then to select a broker-dealer and negotiate commissions, in the absence of investment advisory services provided. Therefore, FNFD Financial Advisors may have a financial incentive to recommend Program services over other programs

or services. It is FNFD's intent however, to make all recommendations independent of such fee considerations and based solely on client needs and objectives.

FNFD may pay transitional compensation to Financial Advisors that are recruited to join FNFD. This compensation is typically a forgivable loan disbursed as cash upon joining FNFD. The compensation is intended for any temporary decrease in earnings of the Financial Advisor during the transitional time period, other compensation the Financial Advisor may forgo as a result of leaving their prior firm and as an inducement to join FNFD. The basis to forgive a loan is generally conditioned on the Financial Advisor continuing their employment with FNFD for a pre-determined length of time. Additional cash compensation may also be paid during the forgivable loan time period, conditioned upon the Financial Advisor achieving certain performance goals during the forgivable loan time period.

Mutual fund shares may be held as investments in client Program accounts. As a shareholder of any mutual funds, in addition to fees paid by a client to FNFD under a Program, the client will bear a proportionate share of the funds' expenses, including the management fees that are paid to the fund's investment advisor, and will bear any other charges levied by a fund. The Program investment advisors, including FNFD, may recommend closed end funds or Exchange Traded Funds for clients' portfolios that may also have management fees or other charges and expenses. FNFD may accept transfers into your Account shares of mutual funds owned by you outside of the Program, including shares that were purchased with a sale charge, that have a contingent deferred sales charge, and/or have a continuing asset-based sales charge (a Rule 12b-1 fee). In such instances, FNFD will seek to convert such mutual fund shares to the lowest cost class of shares available. In the event the mutual fund does not have a class without 12b-1 fees, Pershing will credit the amount of any 12b-1 fee paid by that fund back to the client's account. No 12b-1 fees will be kept by FNFD. For more information about any mutual fund, and a complete description of its fees, charges and expenses or any of its revenue sharing or expense compensation arrangements, clients should consult the applicable fund's prospectus.

FNFD makes available to Program clients and its own brokerage clients sweep arrangements with various money market mutual funds managed by Dreyfus Corporation ("Dreyfus"), and sweep arrangements to interest bearing deposit accounts through Reich & Tang Deposit Solutions, LLC with banks insured by the Federal Deposit Insurance Corporation up to limits established by Congress. Dreyfus is a BNY Mellon Company and an affiliate of Pershing. The sweep arrangement money market mutual funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, unless disclosed otherwise in the prospectus for the fund.

Custody

Pershing qualifies as "qualified custodian" as described by Rule 206(4)-2 of the Investment Advisers Act and pursuant to the clearing agreement between FNFD and Pershing, Pershing maintains custody of client assets.

Account Requirements and Types of Clients

Account Requirements

The minimum account size for FNFD Advisor Directed Solutions is \$25,000.

The minimum account size for FNFD Managed Account Solutions is as follows:

The minimum account size for Lockwood AdvisorFlex Portfolios is \$50,000.

The minimum account size for Lockwood WealthStart Portfolios is \$50,000.

The minimum account size for Lockwood Asset Allocation Portfolios is \$50,000.

The minimum account size for Lockwood Third-Party Strategists ranges from \$10,000 to \$25,000 depending upon which individual asset class or asset allocation portfolio is selected.

The minimum account size for Separately Managed Accounts ranges from \$100,000 to \$250,000 depending upon the individual manager, asset allocations and asset classes selected to open an account.

Types of Clients

The advisory services of FNFD described in this brochure are generally provided to individuals, but may also be provided to pension, profit sharing or other retirement plans, trusts, estates or charitable organizations.

Portfolio Manager Selection and Evaluation

FNFD does not select the portfolio managers for Programs sponsored by Lockwood. Generally, for Programs sponsored by Lockwood, Lockwood evaluates Portfolio Managers and Model Managers for inclusion in the particular program. For a description of the evaluation process see the section of the Lockwood Firm Brochure entitled Methods of Analysis, Investment Strategies and Risk of Loss.

FNFD will provide you with periodic reviews of your account, which may include a statistical presentation of the performance of your account based on information in Pershing's records, and ongoing comparisons with selected industry indices or benchmarks. FNFD has not verified the accuracy of the statistical information presented and does not guarantee the accuracy of the calculations performed on the information, nor does FNFD assure that the performance information is calculated in accordance with industry presentation standards.

FNFD's related persons do not act as portfolio managers for third-party wrap fee programs managed by Lockwood.

Advisory Business

FNFD is the sponsor of the FNFD Advisor Directed and Managed Account Solutions Programs. Pershing provides certain non-advisory services that enables FNFD to offer these Programs. Lockwood does not provide advisory services for the FNFD Advisor Directed Solution.

Lockwood provides advisory and other services to FNFD clients with respect to the AdvisorFlex Portfolios, WealthStart Portfolios, Asset Allocation Portfolios and Lockwood Third-Party Strategists Programs. Please review the appropriate Lockwood Firm Brochure for a complete description of services and fees for these Programs.

FNFD has entered into a brokerage clearing agreement with Pershing, an affiliate of Lockwood, to execute and perform the clearance on a fully disclosed basis of all purchase and sale orders directed to it by FNFD for the Programs selected by clients.

FNFD is not related to or affiliated with Lockwood or Pershing.

FNFD Financial Advisors meet with the client to review the client's investment objectives, financial circumstances and risk tolerance, and investment profile information provided by the client. The information provided is used to determine and implement an investment strategy specific to the client's needs and circumstances. The result of this assessment is communicated to Lockwood and if applicable, the Program investment advisor(s) in establishing an investment management account consistent with Program guidelines.

Each client has the ability to impose reasonable restrictions on the management of the client's account, in some cases including the designation of particular securities or types of securities that should not be purchased for the account or sold if held in the account. If FNFD believes Client's stated restrictions to be unreasonable or inappropriate for Client, FNFD will advise Client that, unless the restrictions are modified, FNFD may decline to open or maintain the account. A client will not be able to provide instructions that prohibit or restrict the investment advisor of an open-end or closed-end mutual fund or exchange traded fund with respect to the purchase or sale of specific securities or types of securities within the mutual fund or ETF.

As of December 31, 2021, FNFD managed \$457,348,472 in client assets on a non-discretionary basis.

Performance-Based Fees and Side-by-Side Management

FNFD does not charge performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

FNFD Advisor Directed Solutions

The main source of information used to make investment recommendations include research reports prepared by others, financial publications, corporate rating services, company press releases and annual reports, prospectuses, and filing with the U.S. Securities and Exchange Commission.

Investments to implement a strategy may be made in equity securities, fixed income securities, open and closed end mutual funds, and exchange-traded funds (“ETFs”). ETFs and mutual funds may be used to gain exposure to fixed income markets, specific equity market sectors and international markets. ETFs represent shares of ownership in either mutual funds or unit investment trusts that hold portfolios of common stocks or bonds, which are designed generally to correspond to the price and yield performance of their underlying indexes, representing either the broad stock market, various market sectors at different capitalization levels, industry sectors, international stock, U.S. bonds, or international bonds.

Any investment in securities involves the risk of loss of principal. The success of investment activities for client accounts may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of client investments. Unexpected volatility or illiquidity could impair profitability of investments or result in losses. There is no guarantee that any Program will be successful in implementing its investment strategies.

Account values could fluctuate over short periods of time due to short-term market movements and over longer periods due to market downturns. Individual securities in client accounts may face trading risks, including the potential lack of an active trading market and the resulting inability to sell the security or sell at favorable times or prices. The value of individual securities in your account may be adversely affected and decline in value as a result of changes to the issuer’s financial condition, credit rating or other adverse circumstances.

Specific types of securities each have attendant risks:

The equity market sector will generally present the greatest degree of risk of loss to client portfolios. The value of equity securities may fluctuate in response to company specific factors, industry market conditions or the general economic environment. Common shares generally are the most junior securities in a company’s capital structure and are thus in the first-loss position and the most susceptible to fluctuations in value. The securities of smaller companies may involve greater risk and their prices may be subject to greater volatility than those of larger companies.

International equity investments involve additional risks, including the risk of capital loss from unfavorable fluctuations in currency values, differences in accounting treatment, or economic or political instability in other nations. In addition, the application of foreign tax laws (e.g. the imposition of withholding taxes on dividends or interest payments) or confiscatory taxation may effect investments in foreign securities.

The value of fixed-income securities may change as the general levels of volatility and interest rates fluctuate. When interest rates decline, the value of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities can be expected to decline. The market value of fixed-income securities also varies according to the relative financial condition of the issuer or of the performance of the fixed income sector of which the security issuer is a part.

Although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indexes, ETFs may not be able to replicate exactly the performance of the indexes because of their expenses, tracking error (discrepancy between the composition of the underlying index and the composition of the ETF), and other factors. An exchange traded sector fund may be adversely affected by the performance of the specific sector or group of industries on which it is based.

FNFD Financial Advisors may buy or sell the same securities that may be bought or sold by clients. In those cases where a client and Financial Advisor purchase or sell the same security on the same day at differing prices, it is generally required that the client receive the trade execution with the better price.

Other Programs

For information on the methods of analysis, investment strategies and risk of loss for other Programs described above refer to the Disclosure Document for the specific Program.

Risk in the Use of Margin

For clients that may borrow against the value of the assets in their account, interest is charged as disclosed in the Pershing margin lending agreement. To the extent margin is used in your account, the margin debit balance will not reduce the market value of eligible assets, and will therefore increase the asset-based advisory fee you are charged. The increased asset-based advisory fee may provide an incentive for your Financial Advisor to recommend the use of margin. The use of margin increases risk through the increase of leverage in an account. In addition to the risks mentioned above, with respect to investment advisory account(s) that are pledged or otherwise used as collateral for margin or any other securities-based lending product, the exercise of Pershing rights and powers over the assets in your advisory account(s), including the disposition and sale of any and all assets pledged as collateral may be contrary to your interests and the investment objective of your advisory account(s). For example, such recommendation to use margin or a securities-based lending product could result in a situation in which we are required to liquidate securities your Financial Advisor or money manager would otherwise not sell, and which may not otherwise be in your best interests to sell, to satisfy a maintenance call.

FNFD receives payments from Pershing for a portion of the interest rate charged to clients. The portion FNFD receives is based on a number of variables including the amount of FNFD customer debit balances and the net cost of funds assessed to FNFD by Pershing.

Voting Client Securities

FNFD does not vote proxies on behalf of clients; accordingly, it does not maintain proxy voting procedures. For information on the voting of proxies by third-party or sub-advisors in applicable Programs, refer to the Disclosure Document for the specific Program.

Clients will receive their proxies or other corporate actions to vote or otherwise take action on themselves, directly from the custodian or transfer agent.

Client Information Provided to Portfolio Managers

The Account Profile must be completed with the assistance of your FNFD Financial Advisor. The Account Profile outlines your investment objectives, financial circumstances, risk tolerance and any restrictions you may wish to impose on your investment activities. Your Financial Advisor provides this information to the Program manager for the Program you have chosen. In addition, the Portfolio Manager for your Program may require additional client information as disclosed in the Disclosure Document for the Program.

At least annually, the FNFD Financial Advisor will contact each client to determine whether there have been any material changes in the client's financial circumstances, investment objectives or instructions and to provide a review and evaluation of the client's portfolio in light of these investment considerations. Any changes are communicated to the Program manager.

Client Contact with Portfolio Managers

Each Program provides information on how to contact and consult with that Program's managers. For any restrictions on the ability to contact and consult with portfolio managers for other programs, refer to the Disclosure Document for the specific Program.

FNFD Financial Advisors are generally available on a routine basis during normal working hours or by arranged appointments outside of these hours to consult with clients.

Additional Information

Disciplinary Information

Neither the firm nor any of its employees or principals has any disciplinary information to report.

Other Financial Industry Activities and Affiliations

FNFD is a dually registered broker-dealer and investment adviser and is a member of the New York Stock Exchange and the Financial Industry Regulatory Authority, Inc. (FINRA). Accordingly, management personnel of FNFD are registered representatives and registered principals.

Folger Nolan Fleming Douglas Capital Management, Inc. ("CMI") is a wholly owned, indirect subsidiary of FNFD providing discretionary investment management services to its clients.

The advisory business of CMI is entirely separate from the advisory services provided by FNFD to FNFD clients who elect to participate in the Programs. For wrap fee programs in which FNFD recommends that CMI manage the assets as sub-advisor, a portion of the wrap fee charged to a wrap fee client by FNFD will be paid as a sub-advisory fee to CMI. FNFD wrap fee clients for whom CMI provides sub-advisory services do not pay a separate fee to CMI. FNFD's clearing broker Pershing will make such payments to CMI as directed by FNFD. When recommending CMI as a sub-advisor, FNFD remains responsible for the overall investment relationship with the client. This may include but is not limited to determining the client's investment objectives, investment time horizon, asset allocation, account set up and ongoing administration. Because CMI and FNFD are affiliates, a conflict of interest is present when FNFD recommends CMI as sub-advisor to its wrap fee clients and CMI provides sub-advisory services to FNFD wrap fee clients. FNFD attempts to mitigate this conflict by disclosure in this Brochure and by recommending such sub-advised accounts in the best interest of each client.

CMI and FNFD share certain members of management. Richard S. Foster is President, Chief Executive Officer, Treasurer and Chief Operating Officer of CMI and FNFD and a Registered Principal and Registered Representative of FNFD. John R. Current, is Senior Executive Vice President and Secretary of FNFD and a Registered Principal and Registered Representative of FNFD, is also Secretary of CMI and a director of both FNFD and CMI. Lee M. Folger is the Chairman of the Board of both CMI and FNFD. Neil C. Folger is a Senior Portfolio Manager and Executive Vice President of CMI, Vice Chairman of both CMI and FNFD, and also a Registered Principal of FNFD. FNFD attempts to mitigate this conflict by disclosure in this Brochure and by reminding employees that the firm's Code of Ethics requires employees to act in the best interest of clients.

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

FNFD and its affiliate CMI are engaged in other securities and investment advisory services. FNFD or CMI may also give advice and take action in the performance of their duties to clients which differ from advice given, or the timing and nature of action taken, with respect to the Programs, or advice being given by Program advisors. Additionally, FNFD or CMI may, from time to time, not be free to divulge or act upon certain information in their possession received from confidential sources.

FNFD Financial Advisors may invest in the same securities recommended to clients and may also buy or sell securities for client accounts at or about the same time that the Financial Advisors buy or sell the same securities for their own accounts. If a Financial Advisor buys or sells the same security on the same day as one of their clients, it is FNFD policy to provide the best executed price to the client's account.

In order to address conflicts that may arise from personal trading by Financial Advisors, FNFD has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisors Act. The portion of the Code that governs personal securities transactions is applicable to all Financial Advisors, certain officers of FNFD and members of their households. The Code requires all Financial Advisors to exercise their authority and responsibility for the benefit of clients and to refrain from activities that may conflict with the interests of clients. The Code contains policies and procedures that, among other requirements prohibit Financial Advisors from taking personal advantage of opportunities belonging to clients, prohibit trading on the basis of material nonpublic information (insider trading), address personal trading by Financial Advisors and impose reporting requirements with respect to such trading, impose limitations on the giving or receiving of gifts and entertainment and restrict outside business activities.

It is FNFD's policy that it will not trade with FNFD investment advisory clients as principal.

A copy of FNFD's Code of Ethics may be obtained from FNFD's investment advisory Chief Compliance

Officer, Joseph M. Urban, at (202) 626-5300.

Review of Accounts

At least annually, Financial Advisors contact each of their clients to determine whether there have been any material changes in the client's financial circumstances, investment objectives or instructions and to provide a review and evaluation of the client's portfolio in light of investment goals and objectives. When necessary, any changes are communicated to the Program manager.

Periodically, Advisor Directed fixed income portfolios are reviewed for credit quality, material events and relative performance. Information regarding credit quality and material events is drawn from rating agency research and independent research. The relative performance is self-determined using Bloomberg® tools and Analytics. The philosophy is to ensure that the securities selected continue to maintain the quality and performance originally envisioned when added to a portfolio, and if there is a deviation from the original status, the security is re-evaluated for its validity in the portfolio.

For certain non-US resident PMA accounts, FNFD has the discretionary authority to remove a manager from the management of an account. FNFD in its sole discretion may remove a manager if it determines the strategy for the account has not been met.

Periodic portfolio monitoring reports (generally quarterly) are prepared by Pershing or its affiliates. FNFD does not audit the accuracy of the calculations performed on client Program account information or warrant that the portfolio monitoring report was prepared in accordance with industry standards. Upon request, the Financial Advisor will review each client's quarterly portfolio monitoring report with the client.

FNFD through Pershing will transmit to clients (and where appropriate to the applicable investment advisor) trade confirmations reflecting all transactions in securities; provided, however, that periodic statements of account activity may be furnished in lieu of transaction by transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act. FNFD through Pershing will also transmit statements of account activity at least quarterly.

FNFD will periodically re-evaluate no less than annually the level of annual trading below which a further review of an account will be performed. The account will be reviewed to evaluate whether the wrap fee Program and the bundled fees continue to be appropriate for the client. Periodic or annual reviews of client accounts conducted by Financial Advisors may be reviewed and the Financial Advisor may be required to provide an explanation of the investment strategy and ongoing advice being provided the client, and an explanation for the account's inactivity. Based on a review of the factors relevant to an analysis of the continued suitability of the wrap fee Program, clients may be advised of the fees paid related to the level of trading in an account and be offered the option to leave the Program and open an alternative type of broker-dealer or investment advisory account.

Client Referrals and Other Compensation

FNFD does not compensate any person who is not an FNFD supervised person for client referrals.

Financial Information

FNFD does not require or solicit payments of more than \$1,200 in fees per client six months or more in advance.

FNFD has never been the subject of a bankruptcy petition and is not aware of any financial conditions that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

Requirements for State-Registered Advisers

FNFD is not registered with any states, but is registered with the U. S. Securities and Exchange Commission.