

### Item 1 Cover Page

### Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure,” requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

#### Summary of Material Changes:

Please note that there were no “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website; however, this Brochure does include a number of minor editorial changes and the updated information on our assets under management..

This brochure provides information about the qualifications and business practices of Perryman Financial Advisory, Inc. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Perryman Financial Advisory, Inc. is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). However, such registration does not imply a certain level of skill or training. Additional information about Perryman Financial Advisory, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Dated: February 27, 2023

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## INTRODUCTION

Perryman Financial Advisory, Inc. (herein referred to as "Perryman Financial," "Firm," "we," "our," "us") is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission ("SEC") since December 23, 1994. We are noticed filed in various states and conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you with, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

## OWNERSHIP

William D. Perryman is President, Secretary, and Treasurer and Jimmy S. Perryman is the Chief Compliance Officer and Jennifer Grant is the Assistant Compliance Officer. William D. Perryman, Debra Keitzer-Outlaw, and Jimmy S. Perryman are the shareholders of Perryman Financial Advisory, Inc.

## ADVISORY SERVICES OFFERED

Perryman Financial is an investment advisory firm providing:

- Portfolio Management
- Financial Planning and Analysis Services
- Retirement Plan Services

Our Firm offers an array of advisory services designed to address the major areas of personal financial management including, but not limited to, investment management, estate planning, tax-reduction and cash flow strategies, and insurance planning. Our service constitutes an ongoing process by which:

- a) Your investment objectives, constraints and preferences are identified and specified;
- b) Your strategies are developed and implemented through a combination of financial assets;
- c) Capital market conditions and your circumstances are monitored; and
- d) Portfolio adjustments are made as appropriate to reflect significant changes to any or all of the above relevant variables.

Portfolios can consist of individual stocks and bonds, options, ETF's, mutual funds, private placements, hedge funds, and a combination of all investment vehicles. We also provide advice on interests in partnerships or other alternative investments.

## PORTFOLIO MANAGEMENT AND CONSULTING SERVICES:

We provide portfolio management services on either a discretionary or non-discretionary basis. Our portfolio management program is designed to provide individuals, trusts, corporations and retirement plans with the appropriate asset allocation, diversification and risk characteristics consistent with prudent portfolio management.

On a discretionary basis, we design, revise and reallocate a custom portfolio for you. The investments are determined based upon your investment objectives, risk tolerance, net worth, net income, age, investment time horizon, tax situation and other various suitability factors.

On a non-discretionary basis, we provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

Our investment management program consists of four primary components:

1. Investment Policy Review – We discuss with you such topics as investment objectives, risk tolerance, and liquidity needs. From the results of this assessment, we create an investment policy statement, which serves as the guide for measuring volatility and performance.

2. Asset Allocation - Based on the result of the investment policy review, we allocate investment dollars between equity and fixed-income assets. This allocation is adjusted from time to time, depending on changes in your personal situation and/or investment performance.

3. Investment Selection - At the conclusion of steps (1) and (2) above, we recommend an initial group of assets for investment. Typically, this will include a list of no-load mutual funds and/or individual securities selected under our proprietary criteria. This initial group of assets could include the use of individual bonds or stocks or the retention of assets currently owned by you.

4. Management - Once your portfolio is in place, we will monitor the performance of the overall account as well as the performance of each individual asset or mutual fund. From time to time, we will recommend and implement changes to the portfolio.

We provide continuous evaluation of the portfolio in terms of risk, rate of return, asset allocation and diversification. We monitor the account for possible repositioning and from time-to-time replace selected mutual funds and/or other assets with similar investment characteristics or alternate ones based on our analysis of the account, your circumstances and the financial markets.

Custody of client accounts for both securities and funds will be maintained at TD Ameritrade, Inc., Schwab Institutional, a division of Charles Schwab & Co., Inc. or another custodian selected. Neither the Firm nor its advisory agents are affiliates of Schwab or TD Ameritrade.

#### Assets Under Management as of 12/31/2022:

Total Discretionary AUM- \$520,931,000

Total Non-Discretionary AUM- \$ 0.00

We do not sponsor or act as a portfolio manager for any wrap fee programs.

#### FINANCIAL PLANNING SERVICES:

Recognizing that each Client is unique, we offer financial planning services and comprehensive financial plans.

Our financial planning services can include an analysis on only isolated area(s) of your financial affairs such as estate planning, retirement planning, any other specific topic or any other investment and financial concerns that you have.

We also provide advice in the form of a comprehensive Financial Plan. If you purchase this service, you may receive a written report or review an interactive financial planning model within our planning software, providing a detailed financial plan designed to achieve your stated goals and objectives.

We will also provide you with the opportunity to be active in the plan preparation by providing information we need. Our Financial Plans will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of your current strategies and investment plans to help you achieve your retirement goals.
- Investments: Analysis of investment alternatives and their effect on your portfolio.
- Estate: Analysis of financial issues with respect to living trusts, wills, estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.
- Insurance: Review of existing policies to ensure proper coverage for life, health, disability, long term care, liability, home and automotive.

We gather the required information through in-depth personal interviews. Information gathered includes a current financial status, future goals and attitudes towards risk. Related documents supplied by you and a completed questionnaire are carefully reviewed and a report is prepared. Implementation of the prepared plan or recommendations is solely at your discretion, and you will also determine how you want to implement the plan or recommendations. We encourage you to utilize any desired professional or group of professionals to assist in the implementation.

## OTHER PRODUCTS AND SERVICES:

### RETIREMENT PLAN SERVICES-

In situations where we recommend the establishment of a company-sponsored retirement plan, we will evaluate both short-term and long-term needs. After such an assessment, we will propose the use of a plan administration firm and propose one or more investment managers for plan assets. We recommend the use of our own proprietary management program.

All administration services and investment management services will be provided on a fully disclosed basis. Prior to any engagement, we will receive in writing a schedule of all charges to be assessed to the company and/or plan assets and review this with you.

### ALTERNATIVE INVESTMENTS-

Recommendations made to you to invest in alternative investments would be suitable for your stated investment goals, risk temperament, and investment objectives. The alternative investments can range from short term to long term investment vehicles that have various investment objectives including revenue from the production of natural gas and/oil associated with those oil & gas royalty interests acquired for the fund, real estate interests, structured notes etc. Our Firm has no affiliation with the issuers. Additional information for suggested alternative investments including a discussion of certain significant risks of investing will be disclosed in the related Private Placement Memorandum. Qualified persons should read the Memorandum carefully before investing.

## INSURANCE SERVICES-

Our Firm is also a licensed insurance agency appointed by various life, health and disability insurance companies. We sell insurance products to our clients in need of insurance. Insurance services are separate and distinct from the portfolio management, financial planning and other services provided. You are under no obligation to purchase insurance products through our company.

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

#### **Assets Under Management- Portfolio Management Program Fee Schedule**

<u>Assets Under Management</u>	<u>Annualized Fee</u>
\$ 0 to \$ 500,000	1.50%
\$ 500,001 to \$1,500,000	1.00%
\$1,500,001 to \$3,000,000	0.75%
Over \$3,000,000	0.50%

Our account minimums and fees charged are negotiable in situations where your portfolio size begins outside our published fee brackets or in other situations deemed appropriate by us in our sole discretion. Portfolio Management fees will be directly deducted from your account at the custodian monthly or quarterly in arrears based upon the value of the account at the end of the previous month or quarter from your account within thirty (30) days following the end of the month or quarter. Our fees are based on the percentages listed in the Fee Schedule on ending account market values based on the previous calendar month or quarter custodial statement. Fees for accounts opened mid-month or mid-quarter will be assessed pro-rata based upon the number of calendar days in the calendar month or quarter that the Agreement went into effect. Fees will be adjusted for asset inflows and outflows made during the month/quarter. We do not charge advisory fees on cash or money market deposit accounts held in client accounts. Our fee schedule is our standard fee schedule. Client's actual fee may vary depending upon their specific portfolio. The fee schedule may be negotiated with the Client on a case-by-case basis. Fees are calculated by multiplying the assets under management market value by the relevant percent and dividing such product by four (4) or twelve (12).

Either party can terminate the Portfolio Management Agreement at any time and for any reason, upon thirty (30) days written notice to the other party. Upon notice of termination, we will await further instructions from you as to what steps you request to liquidate and/or transfer the portfolio and remit the proceeds. Upon instructions received, we will instruct broker dealers, mutual fund sponsors, and others to liquidate and/or transfer the portfolio and remit proceeds back to you or a designated third party. A refund of any unearned Portfolio Management Fee will be made on a prorated basis from the time of termination.

We aggregate accounts to receive the breakpoints then allocate the respective fees to each appropriate account. All accounts for members of your family (husband, wife and dependent children) or related businesses will be assessed fees based on the total balance of all accounts, e.g., per household.

## ERISA Accounts, Profit Sharing 401(k), SEP's:

We also have other retirement accounts which are subject to ERISA rules and regulations. In all cases an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account.

## Retirement Accounts – DOL Disclosure:

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code ("Code"), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to collectively sometimes herein as ("Retirement Accounts").

To ensure that Perryman Financial will adhere to fiduciary norms and basic standards of fair dealing, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of Perryman Financial.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Financial Planning Fee Schedule:

Our financial planning fee depends on the scope, complexity and work to be performed by our Firm. Financial planning fees are charged on an hourly rate of \$200 to \$300 depending upon the degree to which specialized knowledge and experience must be used. Prior to any engagement, we will state the hourly rate to be used and make an estimate of the amount of time necessary to complete the analysis. We modify the estimate if you subsequently change the scope or nature of the analysis.

In situations where a comprehensive, written financial plan is recommended or requested, we charge on a fixed-fee basis. Our fee range for a comprehensive plan is between \$5,000 and \$10,000 depending on the complexity of the financial plan. Twelve (12) months after the presentation of the initial financial plan, a fixed-fee retainer will be assessed on a monthly or quarterly basis for the implementation and ongoing updates to the initial financial plan. The retainer arrangement will remain in effect unless otherwise terminated by either party upon 30 days' written notice.



We will collect one-half of the estimated fees at the time the engagement begins and will invoice you for the balance at the time the completed analysis is presented and will be due upon your receipt of an invoice.

For those with \$500,000 or greater of assets under management, the comprehensive financial plan process will be included as part of our portfolio management fees and will continue for the term of your relationship with our Firm. We reserve the right to negotiate the financial planning fees.

### Retirement Plan Services Fee Schedule:

Prior to any engagement, you will receive in writing a schedule of all charges to be assessed to the company and/or plan assets. Since the number of possible administration firms and investment managers is numerous, any specific reference to their charges has been omitted.

Generally, administrating firms provide record keeping and IRS conformity testing for the plan, charge a flat annual fee, and assess a per-participant charge. Investment management firms will typically charge an annual fee for assets under management depending on the size of the plan and the number of investment options used. We charge a one-time set up fee of \$2,500 for assisting clients in establishing the plan. This setup fee is negotiable depending on the needs of the client.

### Alternative Investments:

Our affiliated broker/dealer, Perryman Securities, Inc. receives a placement fee, commissions, warrants or other types of compensation on interests or units we recommend to you. In addition, Perryman Securities, Inc. could earn carried interest or other types of compensation. Neither our Firm, any affiliate, related nor affiliated persons nor entities act as Sponsor or General Partner. Additional information about the investment, compensation method and conflicts will be disclosed in the related Private Placement Memorandum including a discussion of certain significant risks or investing, which should be closely reviewed by you.

### Structured Notes:

We may recommend structured notes to our clients. These notes will each have unique attributes. We review structured notes on an occasional basis from various issuers. We conduct due diligence on the notes before approving them to be purchased for certain individual client portfolios taking into consideration the underlying credit of the issuer, strategy, underlying indices, fees, market conditions, as well as other factors. We customize the notes based on the needs and goals of the client. Additionally, the notes will be diversified between issuers, strategy, and underlying indices. We will provide a full description to you as the client at the time of investment. You must take into consideration our portfolio management fees as well as the underlying fees of the structured notes charged by the issuer. Credit risk is inherent in these types of notes and principal may or may not be guaranteed.

### Additional Types of Fees or Expenses:

Portfolio Management fees do not include the cost of custodial services for individual retirement accounts for qualified retirement plans. Transaction costs are not commissions. They are clearing costs charged by the designated clearing firm on the account. We elect at our option to bear the cost of transactions under certain circumstances. Additional fees are incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client.



Our Firm is also a licensed insurance agency appointed by various life, health and disability insurance companies. If you elect to buy insurance through us, then advisory agents would receive a commission from the insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that has products fitting our client's needs. You are under no obligation to purchase insurance products through our company.

Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

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

We do not charge performance-based fees, nor do we provide side-by-side management services.

#### **Item 7      Types of Clients**

##### **Client Base:**

Our customer base consists of individuals, high net worth individuals, trusts, estates, charitable organizations, corporations and pension and profit-sharing plans. These are the types of clients that we service.

##### **Conditions for Account Management:**

We have imposed a minimum account size of \$250,000 in assets to be managed by us. We will aggregate related accounts in the same household to meet account minimums. We can make an exception to this minimum from time to time based on individual factors.

For those with \$500,000 or greater of assets under management, the comprehensive financial plan process will be included as part of our portfolio management fees and will continue for the term of your relationship with our Firm. We reserve the right to negotiate the financial planning and analysis fees.

#### **Item 8      Methods of Analysis Investment Strategies and Risk of Loss**

##### **Analysis & Investment Strategies:**

We use fundamental and technical security analysis methods.

Fundamental Analysis involves using real data to evaluate a security's value. We perform fundamental analysis on a securities value by looking at economic factors, such as interest rates and the overall state of the economy, information about issuers, potential changes in credit ratings, revenues, earnings, future growth, return on equity, profit margins and other data to determine underlying value and potential for future growth.

Technical Analysis involves studying supply and demand in the market to determine what direction, or trend will continue in the future by understanding the emotions in the market as opposed to its components. Understanding the benefits and limitations of technical analysis can give a new set of tools or skills that will enable us to be a better trader or investor.

Our security analysis information is based on a number of sources including financial newspapers, periodicals, commercially available investment services, issuer prepared information, security rating services, general market and financial information, due diligence reviews and specific investment analysis that our clients request. We also utilize commercially available software such as, but not limited to, TD Ameritrade, and Schwab, and Morningstar Mutual Fund reports. These reports will also serve as sources of information for us. This is provided to us for a nominal fee which is not passed on to you. This is a decision-making research cost incurred by us as part of the normal cost of doing business.

### Investment Strategy:

- We work with you to devise an investment strategy to meet your financial objectives. This includes:
  - discussion regarding your objectives
  - review of existing holdings
  - ongoing analysis of funds
  - advice on best direction for new investments
  - updates of specific changes within the market or to particular funds
  - regular monitoring of recommended investments and periodic review

The flexibility of our strategies gives us the ability to best manage investment risks in any investment market. Our investment strategy utilizes no load mutual funds and individual stocks bonds, ETF's etc. to diversify across asset classes or uncommon strategies utilizing private equity, hedge funds, real estate, structured notes and other alternative categories. Portfolios are rebalanced on a periodic basis.

### Risk of Loss:

Investing in securities involves risk of loss that clients should be prepared to bear. The advice offered by our Firm to clients is determined by the areas of expertise of the agent providing the service and the client's stated objective. Our clients are advised to notify our Firm promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

Risks to our Managed Account Clients may include, but are not necessarily limited to, the following. The foregoing risk factors are not a complete description of all risks associated with a Managed Account Client's investments or an underlying Fund investment. Clients should carefully read the risk factors section of any mutual fund prospectus and offering documents of any private investment fund.

### Margin Risk:

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial

instruments on margin. Please Note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by Perryman in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Perryman may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to Perryman. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

### Exchange Traded Fund ("ETF") Risk:

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds: The market price of the ETF's shares may trade at a premium or a discount to their net asset value; An active trading market for an ETF's shares may not develop or be maintained; and There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.

### Mutual Funds Risk:

Mutual Funds are managed independently of a client's account and incur additional fees and/or expenses which are borne indirectly by the client's account in connection with any such investment. There is also a risk that a fund manager may deviate from the stated investment strategy of the fund, making it less suitable. Additionally, these investments are subject to the same risks as the underlying investments.

### Business Development Companies (BDCs):

BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating rate/leveraged loan funds, private REITs and limited partnerships, investors are exposed to significant market, credit and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid portfolios. Due to the illiquid nature of non-traded BDCs, investors' exit opportunities may be limited only to periodic share repurchases by the BDC at high discounts.

### Alternative Investment Risk:

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices

Lack of liquidity in that there may be no secondary market for the fund, and none expected to develop.

### Volatility of Returns

Absence of information regarding valuations and pricing

## Delays in Tax Reporting

Less regulation and higher fees than mutual funds

### Illiquid Investments:

Investments in certain underlying funds, including private equity and real assets, will be illiquid, entailing a high degree of risk. An investor in an illiquid underlying fund may be expected to hold its investment in the underlying fund for the entire life of the underlying fund, which is typically seven to ten years or more. The underlying investments of an underlying fund, at any given time, may consist of significant amounts of securities and other financial instruments that are very thinly traded, or for which no market exists, or which are restricted as to their transferability under U.S. or state or non-U.S. securities laws. In some cases, underlying funds may also be prohibited by contract from selling such securities for a period of time. In other cases, the types of investments made by underlying funds may require a substantial length of time to liquidate. Consequently, there is a significant risk that the underlying funds will be unable to realize their investment objectives by sale or other disposition of portfolio company securities at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their portfolio companies. These risks can be further increased by changes in the financial condition or business prospects of the portfolio companies, changes in economic conditions and changes in law. An underlying fund may distribute its investments "in-kind", which may be composed of illiquid securities. There can be no assurance that clients or investors would be able to dispose of these investments or that the value of these investments, as determined generally by an underlying fund, will ultimately be realized.

### Liquidity Risk:

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

### Insurance and Reinsurance Investments Risk:

The principal risk of an investment in insurance and reinsurance instruments is that a triggering event(s) (e.g., natural events, such as a hurricane, tornado or earthquake of a particular size/magnitude in a designated geographic area) will occur and a Fund will lose all or a significant portion of the principal it has invested in the security and the right to additional interest payments with respect to the security and an investor will lose money. If multiple triggering events occur that impact a significant portion of the portfolio of the Fund, the Fund could suffer substantial losses. There is no way to accurately predict whether a triggering event will occur and, because of this significant uncertainty, insurance and reinsurance investments carry a high degree of risk.

Another risk is oversubscribed repurchase offers. If a repurchase offer by the Fund is oversubscribed, the Fund may periodically repurchase, but is not required to repurchase, additional Shares up to a maximum number of the outstanding Shares of the Fund. It is possible that a repurchase offer may be oversubscribed with the result that shareholders may only be able to have a portion of their Shares repurchased. There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

## Overall Risks:

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund go up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change. Before you invest, be sure to read a fund's prospectus, private placement memorandum, operating agreement and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals. While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

### Item 9 Disciplinary Information

Registered Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our Firm or the integrity of our management.

Our Firm does not have any material facts about legal or disciplinary events that are material to your evaluation of our integrity or its advisory agents to disclose. Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

### Item 10 Other Financial Industry Activities and Affiliations

#### Related Entity Relationships:

Our Firm is also a licensed insurance agency appointed by various life, health and disability insurance companies. If you elect to buy insurance through us then the advisory agents would receive a commission from the insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that has products fitting our client's needs. You are under no obligation to purchase insurance products through our company.

Advisory agents of our Firm are also registered with Perryman Securities, Inc., member FINRA/SIPC, an affiliated broker/dealer. In this capacity, our advisory agents will receive normal and customary commissions if you elect to implement a securities transaction through Perryman Securities, Inc. or purchase a load mutual fund.

#### Non-Related Entity Relationships:

Our recommendations to you to invest in alternative investments will be suitable for your stated investment goals, risk temperament, and investment objectives. The alternative investments can range from short term to long term investment vehicles that have various investment objectives including revenue from the production of natural gas and/oil associated with those oil & gas royalty interests acquired for the fund, real estate interests, structured notes etc. Our Firm has no affiliation with the issuers. Additional information for suggested alternative investments including a discussion of certain

significant risks of investing will be disclosed in the related Private Placement Memorandum. Qualified persons should read the Memorandum carefully before investing.

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

### **Code of Ethics:**

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principals, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

### **Participation or Interest in Client Transactions / Personal Trading:**

Advisory agents of the Firm are also registered with Perryman Securities, Inc., member FINRA/SIPC, an affiliated broker/dealer. In this capacity, our advisory agents will receive normal and customary commissions if you elect to implement a securities transaction through Perryman Securities, Inc. or purchase a load mutual fund, variable annuity or alternative investment.

Our Advisory Agents will buy or sell for themselves securities that they also recommend to you. These investment products will be bought and sold on the same basis as you buy them. We will transact your transactions and business before our own when similar securities are being bought or sold. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

## **Item 12      Brokerage Practices**

### **Brokerage Selection:**

When we are granted sole discretionary authority over your account(s) we determine the securities to be bought or sold, their amounts, the broker dealer to be used, and the commissions to be paid, without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

We generally recommend the brokers or dealers to handle securities transactions. We utilize TD Ameritrade, Inc., or Schwab Institutional, a division of Charles Schwab & Co., Inc. as the broker-dealer for the execution of securities transactions. Custody of client accounts for both securities and funds will be maintained at TD Ameritrade, Inc., Schwab Institutional, a division of Charles Schwab & Co., Inc. Factors which we consider when recommending TD Ameritrade, Inc. or Charles Schwab include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationship with TD Ameritrade, Inc. and Charles Schwab helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with TD Ameritrade, Inc. or Charles Schwab, as a full-service broker/dealer, cannot obtain best execution at all times. The commissions and/or transactional fees charged by TD Ameritrade, Inc. and Charles Schwab to you can be higher or lower than those charged by another broker-dealer.



In addition to a broker's ability to provide the "best execution," we also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to us and, because the "soft dollars" used to acquire them are client assets, we could be considered to have a conflict of interest in allocating your brokerage business: we could receive valuable benefits by selecting a particular broker or dealer to execute your transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation we might otherwise be able to negotiate. In addition, we theoretically could have an incentive to cause you to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

### Research and other Soft Dollar Benefits:

Our Firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), we will make a good faith determination that the amount of commission or other fees you pay is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to you, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions can be greater than the amounts another broker-dealer who did not provide research services or products might charge. In some cases, with your consent, we consider a broker-dealer's provision of non-research products and/or services (i.e., products or services that we do not use in making investment decisions or executing transactions for clients). In such cases, however, the products or services involved are used solely for your benefit in whose account the commissions or other fees are incurred.

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

### Research and Brokerage Products and Services.

"Research" products and services we receive from broker-dealers can include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use



such products and services in the conduct of our investment decision making generally, not just for those accounts whose commissions considered to have been used to pay for the products or services.

### Other Uses and Products.

We use some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but for our administrative and other purposes as well. In these instances, we make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable to making investment decisions and executing transactions is paid with commission dollars and we bear the cost of the balance. Our interest in making such an allocation differs from your interest, in that we have an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that the Firm must pay directly.

### Mutual Fund Transactions.

Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, being consistent with our duty of best execution, determine to cause your accounts to pay transaction fees when purchasing shares of certain no-load mutual funds through TD Ameritrade in order to obtain "research." This research is not used for your exclusive benefit if you pay transaction fees in purchasing mutual fund shares.

### Amount and Manner of Payment.

A broker-dealer through which we wish to use soft dollars can establish "credits" arising out of brokerage business done in the past, which can be used to pay, or reimburse the Firm for, specified expenses. In other cases, a broker-dealer can provide or pay for the service or product and suggest a level of future business that would fully compensate us. The actual level of transactional business we do with a particular broker-dealer during any period can be less than such a suggested level, but can exceed that level and generate unused soft dollar "credits." Where you have authorized us to consider a broker-dealer's provision of services outside the Section 28(e) safe harbor, a broker-dealer can generate "credits" based on transactions effected in the past and allow us to use such "soft dollars" to acquire services and products provided by third parties. We do not exclude a broker-dealer from receiving business simply because the broker-dealer has not been identified as providing soft dollar research products and services, although we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

Neither the Firm nor its agents are affiliates of TD Ameritrade, Inc. or Charles Schwab & Co.

Advisory agents of our Firm are also registered with Perryman Securities, Inc., member FINRA/SIPC, an affiliated broker/dealer. In this capacity, our advisory agents will receive normal and customary commissions if you elect to implement a securities transaction through Perryman Securities, Inc. or purchase a load mutual fund. Our Advisory Agents will take steps to assure that you receive best execution and reasonable commission rates when trades are executed.

### Soft Dollar Practices:

We have an arrangement with both Charles Schwab and TD Ameritrade as custodians whereby a "soft dollar" account is credited based on the dollar value of the transaction costs generated in some instances by equity trades only. All clients will, however, benefit from the research services provided by "soft dollar" purchases. These soft-dollar accounts are used to pay for such items as research services and software used in connection with managing client assets. In no circumstance do we receive any

direct compensation or financial reimbursement for general overhead expenses. Client transaction costs are not increased to make this soft-dollar account available.

We participate in TD Ameritrade's and/or Schwab's institutional customer program and we recommend TD Ameritrade and/or Schwab to clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to its clients, although we receive economic benefits through its participation in the program. These benefits include: receipt of duplicate client confirmations; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, technology, and practice management products or services provided to us by third party vendors. The benefits received by us do not depend on the number of brokerage transactions directed to TD Ameritrade or Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us in and of itself creates a potential conflict of interest.

### Brokerage for Client Referrals:

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

### Directed Brokerage:

If you want to direct us to use a particular broker dealer to handle security transactions then you are responsible for the custodian fee arrangement. You should understand that this might prevent our Firm from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, you should consider whether the commission expenses, execution, clearance and settlement capabilities that you will obtain through another broker dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for you using TD Ameritrade, Inc. or Charles Schwab & Co. You can also elect a custodian (bank or broker) from a range of choices that we have. We encourage you to discuss available alternatives with our advisory agents.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

### Trade Aggregation and Block Trading:

Perryman does not aggregate or block trades as most trades are mutual funds or business development companies where **trade aggregation** does not typically obtain any client benefit.

## Item 13 Review of Accounts

Accounts are maintained on our computerized database system which tracks all values and transactions on a daily basis. Accounts are continuously monitored and research on positions is gathered and evaluated regularly.

Statements, confirmations and performance reports are furnished from various financial services institutions or firms with which you transact business. These firms may include, and are not limited to,

brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. You will receive from us monthly or quarterly performance reports that detail the current value of each position, asset allocation, rate of return, aggregate account value, and other pertinent information. You can access personal reports via a secured internet portal via our website, [www.billperryman.com](http://www.billperryman.com). Special communications are also sent to you from time to time.

If we provide you with only financial planning or analysis services, you will not receive regular reports on your accounts after the financial planning or analysis services have been concluded.

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

##### **Client Referrals:**

We enter into arrangements with individuals or entities (the "Solicitor") under which the Solicitor will refer potential clients to us for investment advisory services. In return, we will agree to pay to such Solicitor a referral fee, which can be a fixed amount, or a percentage of the advisory fee collected. Remuneration to the Solicitor is predicated on the prospect of entering into an advisory agreement with our Firm. This sharing of fees will not result in you paying a higher fee than our published fee schedule.

The Solicitor will be properly registered (where applicable), and the arrangement will be disclosed in writing to all clients referred by the Solicitor. A copy of such disclosure will be signed by you and will be maintained in our files.

##### **Other Compensation:**

We have an arrangement with both Charles Schwab and TD Ameritrade as custodians whereby a "soft dollar" account is credited based on the dollar value of the transaction costs generated in some instances by equity trades only. All clients will benefit from the research services provided by "soft dollar" purchases. These soft-dollar accounts are used to pay for such items as research services and software used in connection with managing client assets. In no circumstance will we receive any direct compensation or financial reimbursement for general overhead expenses. Your transaction costs are not increased to make this soft-dollar account available.

We also participate in TD Ameritrade's and/or Schwab's institutional customer program and we recommend TD Ameritrade and/or Schwab to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to its clients, although we receive economic benefits through its participation in the program. These benefits include: receipt of duplicate client confirmations; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, technology, and practice management products or services provided to us by third party vendors. The benefits received by us do not depend on the number of brokerage transactions directed to TD Ameritrade or Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us in and of itself creates a potential conflict of interest.

#### **Item 15**      **Custody**

Under government regulations, we are deemed to have custody of your assets since you authorize us to instruct your custodian to deduct our advisory fees directly from your account. We do not maintain physical custody of your accounts nor are we authorized to hold or receive any stock, bond or other security or investment certificate or cash that is part of your account. Your funds and securities will be physically maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Advisers Act.

Custody of client accounts for both securities and funds will be maintained at Charles Schwab, TD Ameritrade or other custodian as directed by you. Account statements are sent quarterly from the custodian and you should carefully review those statements including comparison to any reports we send to you.

#### **Item 16**      **Investment Discretion**

You have granted our Firm sole and absolute discretion in the management of your portfolio and periodic re-balancing to the target percentages as outlined in the Clients Advisory Agreement except with respect to payment of the Firm's Fees. In the exercise of its authority, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio

We have limited authority to sell or redeem securities holdings in sufficient amounts to pay Advisory Fees. You are able to reimburse the portfolio for Advisory Fees paid to us.

#### **Item 17**      **Voting Client Securities**

We do not have any authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. To this end, we will instruct the Custodian to forward all proxy material directly to you. We shall forward any proxy materials we receive that pertain to Assets in client accounts to the respective clients, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise. You can contact our office at 972-770-4800 for any questions about a particular solicitation.

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

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

#### **Item 19**      **Requirements for State Registered Advisers**

Not applicable, we are an SEC registered investment adviser.

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