



LIMERICK FINANCIAL

G R O U P L L C

An Investment Management Firm

Limerick Financial Group, LLC

Brochure

Dated: March 14, 2023

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This brochure provides information about the qualifications and business practices of Limerick Financial Group, LLC (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (610) 495-7911 or cfalco@limerickfinancialgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Limerick Financial Group, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Limerick Financial Group, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since its last Annual Amendment filing on March 31, 2022, the Registrant's Disclosure Form ADV 2A has not had any materials changes.

Although not material, the Registrant has made disclosure changes, enhancements and additions below at Items 4, 5, 10, and 15.

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Item 4 **Advisory Business**

- A. Limerick Financial Group, LLC (the “Registrant,” “we,” “us” or “our”) is a limited liability company formed on April, 1 2006 in the Commonwealth of Pennsylvania. The Registrant became registered as an Investment Adviser Firm in August 2006. The Registrant is owned by Charles E. Falco, Jr. who is also the Registrant’s sole Principal and Managing Member.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, combined investment advisory services with financial planning, stand-alone investment advisory services, and stand-alone financial planning and related consulting services on a fee basis as discussed at Item 5 below. Registrant does not sell insurance or investment products and does not accept commissions as a result of any product recommendations. Registrant does not pay referral or finder's fees.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee* basis as discussed at Item 5 below. Before engaging Registrant to provide investment advisory services, clients are generally required to enter into an *Investment Advisory Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, Registrant will ascertain each client’s investment objective(s) and then allocate the client’s assets consistent with the client’s designated investment objective(s). Once allocated, Registrant provides ongoing supervision of the account(s).. To the extent requested and engaged to do so by the client to do so, financial planning and related consulting services may be included in the engagement. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Registrant), Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. per the terms and conditions of a separate agreement and a separate fee as discussed at Item 5 below, the fee for which shall generally be based upon the individual providing the service and the scope of the services to be provided. Registrant’s planning and consulting fees are negotiable, but generally range from \$1,500.00 to \$5,000.00 on a fixed fee basis, and from \$250.00 to \$350.00 on an hourly rate basis, depending upon the level and scope of the service(s) required. Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the Registrant’s

Principal in his capacity as a licensed insurance agent. (*See* disclosure at Item 10 C.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Clients are reminded that they may purchase securities and insurance products recommended by a Registrant's representatives through other, non-affiliated broker-dealers and/or insurance agents. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of the Registrant's services should be construed as legal or accounting services. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant and/or its representatives. If, and when, the Registrant is involved in a specific matter (i.e. estate planning, insurance, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, insurance agent, etc.), and not the Registrant, that is responsible for the quality and competency of the services provided. **Please Note:** If the client engages any such recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Independent Managers. The Registrant may allocate a portion of the client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that Registrant shall consider in recommending Independent Manager[s] include the client's designated investment objective(s),

management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note.** The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Registrant's investment advisory fee disclosed at Item 5 below. **The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

Use of Mutual Funds and Exchange Traded Funds: Registrant utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Please Note-Use of DFA Mutual Funds: Registrant utilizes the mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client was to terminate Registrant's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above.** Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. **Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above.**

Custodian Charges-Additional Fees. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that *AXOS* or *Nationwide* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *AXOS* or *Nationwide* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *AXOS* or *Nationwide*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that *AXOS* and/or *Nationwide* will not change their transaction fee pricing in the future. **Please Also Note:** *AXOS* and *Nationwide* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above.**

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in

the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn a new (or increase its current) compensation as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not, Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. **Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such a rollover recommendation.**

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

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

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. Registrant does not typically hold money market funds as part of their cash allocation, as it reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, an indication from the client of anticipated needs for such cash, or the client has a demonstrated history of writing checks from the account. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above.

Right Capital (Financial Planning Software). Registrant, in conjunction with the services provided by RightCapital financial planning software ("RightCapital") may also

provide periodic account reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Registrant (the "Excluded Assets"). The RightCapital software allows a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. **The client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets.** In addition, RightCapital also provides access to other types of information, including financial planning concepts, which should not be construed as services, advice or recommendations provided by Registrant. Registrant does not provide investment management, monitoring or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Registrant is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), Registrant does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If Registrant were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Registrant provide investment management services for the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the Investment Advisory Agreement between Registrant and the client.

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

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

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

Disclosure Statement. A copy of the Registrant's written Privacy Notice and Disclosure Brochure as set forth on Parts 2A and 2B of Form ADV shall be provided to each client or prospective client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2022, the Registrant had \$43,881,170 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. Registrant is generally compensated for its investment management services on an annual basis. In the event that the fee is determined quarterly, in advance, based upon the market value of such assets on the last day of the previous quarter. Registrant's policy is to treat intra-quarter account additions and withdrawals equally and Registrant does not charge for intra-quarter additions or withdrawals unless indicated to the contrary on the Firm's Investment Advisory Agreement executed by the client.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a *fee* basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of all the assets, including cash, placed under the Registrant's management (between negotiable and 2.0%) as follows.

<u>Investment Amount</u>	<u>Annual Fee</u>
Up to \$99,999	2.00%
Next \$100,000 to \$249,000	1.75%
Next \$250,000 to \$499,999	1.50%
Next \$500,000 to \$999,999	1.25%
Next \$1 mill to \$1,999,999	1.00%
Next \$2 mill to \$4,999,999	0.75%
\$5,000,000 plus	0.50%

Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **The Registrant's Chief Compliance Officer, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the negotiability or determination of fees.**

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$1,500.00 to \$5,000.00 on a fixed fee basis, and from \$250.00 to \$350.00 on an hourly rate basis, depending upon the level and scope of the service(s) required.

Independent Managers Fees

As noted above, Registrant may recommend that the client allocate a portion of a client's investment assets among Independent Manager(s) in accordance with the client's designated investment objective(s). To the extent applicable, the investment management fees charged by the designated Independent Manager(s) shall be exclusive of, and in addition to, Registrant's ongoing investment advisory fee. However, the total fees collected by Registrant and all Independent Managers shall not exceed 3% of assets under management per year.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that *AXOS* OR *Nationwide* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers/custodians charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions [including ETFs], others do). Currently, neither *AXOS* or *Nationwide* charges a transaction fee. **Please Note:** there can be no assurance that *AXOS* or *Nationwide* will not change their transaction fee pricing in the future). In addition to Registrant's investment

management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. Except for certain limited existing clients, Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant does not generally require an annual minimum fee or asset level for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the prorated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Registrant is not a party to any performance or incentive-related compensation arrangements with its clients.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum fee or asset level for investment advisory services.

Registrant, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Charles E. Falco, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

- A. The Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with *AXOS* or *Nationwide* market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases- are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among mutual funds, exchange traded funds, bond funds, U.S. government securities, money market accounts, certificates of deposit, and individual treasury bonds and its proprietary investment models on a discretionary basis in accordance with the client's designated investment objective(s). Each type of security has its own unique set of risks associated with it. The following provides a short description of some of the underlying risks associated with investing in these types of securities:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Foreign Securities and Currencies Risk. Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally

D. INVESTMENT MODELS

The Registrant may, on a discretionary basis, allocate some or all of client's investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or ETFs and/or into one or more of its proprietary investment models. A brief description of each model follows:

Dynamic Asset Allocation Models

LFG Conservative - This model uses a 80/20 split bond to equity allocation. The primary objective of this model is capital preservation with dividend income potential.

LFG Conservative Growth - This model is a 70/30 split bond to equity allocation. The primary objective of this model is capital preservation with a growth potential.

LFG Moderate - This model is a 55/45 split bond to equity allocation. The primary objective of this model is stable capital appreciation.

LFG Moderate Growth - This model is a 35/65 split bond to equity allocation. The primary objective is capital appreciation.

LFG Growth - This model is a 20/80 split bond to equity allocation. The primary goal is capital growth appreciation.

Specialty Models for All Equity Exposure

LFG Bull/Bear Timing MF- This model works the Nasdaq 100 Index both long & short, looking to take advantage of market cycles. This model utilizes leveraged mutual funds with a two beta. The strategy is invested only when we believe an identifiable trend is underway. When market conditions are too volatile and our indicators do not provide definitive buy or sell signals, it will maintain a market neutral position.

LFG Equity Appreciation Model – This strategy utilizes a core and satellite equity portfolio, holding only equity mutual funds and exchange traded funds both growth and value, domestic and abroad. Where appropriate investment vehicles exist, we may be long or short. Here again, our allocations are not static but opportunistic. We seek to be invested in asset classes that have the greatest perceived opportunities for appreciation based on our technical indicators. There may be times when we don't see opportunities for appreciation. That's when risk management comes into play and portfolios are moved to the sidelines to wait for the next opportunity. This model uses mutual funds/ETFs non-leveraged.

LFG US Market Index Model – This strategy invests in the five major U.S. market index's using ETFs in equal shares to hedge risk. It is a hybrid of buy and hold, but rebalances either quarterly, semi-annual or annual depending on conditions.

Registrant's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;

7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant’s annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant’s annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant’s investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

Portfolio Activity/Inactivity. There may be extended periods of time when the Registrant will not execute any transactions in a client’s portfolio. In addition, certain of the Registrant’s investment strategies may involve above-average portfolio turnover, which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account. Regardless of the level of activity in a client’s account, they remain subject to the fees outlined in Item 5.

Item 9 Disciplinary Information

On March 9, 2022, Limerick Financial Group, LLC (the “Registrant”), without admitting or denying the substance of the alleged violations, entered into a Consent Agreement and Order (“Consent Agreement”) with the Commonwealth of Pennsylvania Department of Banking and Securities (the “Department”) in the interests of avoiding costly litigation. The settlement concerned allegations of the Registrant’s failure to maintain a reasonable system for applying and enforcing written procedures pertaining to their recommendation for its clients to purchase inverse and leveraged exchange-traded funds by its agent. Although the Registrant disputes the Department’s alleged violations, pursuant to the terms of the Consent Agreement, the Registrant and its management person agreed to pay an administrative assessment in the amount of \$100,000 to the Department and agreed to comply with the Pennsylvania Securities Act of 1972 and the rules and regulations promulgated thereunder.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Registrant is no longer a principal of Falco and Associates, Inc. as that company was sold on July 1, 2021.

Charles E. Falco, Jr., is a licensed insurance agent, in his individual and separate capacity, however, Mr. Falco does not offer or sell insurance products. If specifically requested by the client, Mr. Falco may recommend other professionals for the sale of insurance products. .

- **Conflict of Interest:** The recommendation by Charles E. Falco, Jr. that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. Mr. Falco, however, does not receive commissions for recommending a client purchase insurance commission products from other professionals. No client is under any obligation to purchase any commission products from professionals recommend by Mr. Falco. Clients are reminded that they may purchase insurance products recommended through other, non-affiliated insurance agencies and/or agents. **The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. If Registrant refers a client to an Independent Manager(s), and the client engages the Independent Manager(s), Registrant shall be compensated for its services by receipt of a referral fee to be paid by the Independent Manager(s) to the Registrant in accordance with the requirements of Rule 206 (4)-3 of the Investment Advisors Act of 1940 and any corresponding state laws or requirements. As such, the Registrant shall be acting as a solicitor for the Independent Manager(s). The referral fee shall be paid solely from the Independent Manager(s) investment management fee and shall not result in any additional charge to the client. In addition to Registrant's written disclosure statement, the client shall also receive the Independent Manager(s) written disclosure statement discussing its fees and services. **The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant

also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or the Registrant's Principal *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or the Registrant's Principal are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *AXOS OR Nationwide*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *AXOS, OR Nationwide* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Registrant determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

1. **Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *AXOS, OR Nationwide* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *AXOS OR Nationwide* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *AXOS OR Nationwide* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

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

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

The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. Transactions for each client account generally will be effected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12 above, the Registrant may receive an indirect economic benefit from *AXOS FOLIO, OR Nationwide*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *AXOS OR Nationwide*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *AXOS FOLIO, OR Nationwide* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *AXOS, OR Nationwide* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Principal, Charles E. Falco, Jr. , remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. Registrant does not engage solicitors and does not maintain solicitor arrangements/pay referral fee compensation to non-employees or employees for new client introductions. Additionally, Registrant does not receive any compensation related to client referrals.

Item 15 Custody

Registrant shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., *AXOS OR Nationwide*) at least quarterly. The Registrant provides the custodian of each client account a written notice of the advisory fee to be deducted from each client's account. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. In addition, the Registrant provides each client with a written invoice itemizing the client's investment advisory fee, including the formula used to calculate the investment advisory fee, the time period covered by the fee and the sum of the assets under management on which the investment advisory fee is based. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$500, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

Item 19 Requirements for State-Registered Advisors

- A. Charles E. Falco, Jr., is the Registrant's Principal and Managing Member. For more information about the above individual, please see the Part 2B of Registrant's Brochure.
- B. Registrant is not engaged in any other business than as set forth in this Brochure.
- C. Neither the Registrant nor its representatives accept performance-based fees.
- D. See Item 9 above regarding reportable disciplinary information.
- E. Neither the Registrant nor its representatives have any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: The Registrant's Principal, Charles E. Falco, Jr., remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.