

## Form ADV Part 2A Brochure

### Cover Page - Item 1



**FFG Partners, LLC  
DBA  
Fiori Financial Group**

205 SE 20th Street  
Fort Lauderdale, FL 33316  
Phone: (954) 763-2600  
Fax: (954) 337-2455

Email: [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com)

Website: [www.fiorifg.com](http://www.fiorifg.com)

**October 13, 2023**

FFG Partners, LLC DBA Fiori Financial Group is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Fiori Financial Group. If you have any questions about the contents of this brochure, please contact us at (954) 763-2600. 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 Fiori Financial Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our firm's CRD number is 318641.

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On March 30, 2023, we submitted our annual updating amendment filing for fiscal year 2022. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$324,231,233, and non-discretionary assets under management of approximately \$0.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (954) 763-2600 or at [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com).

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#### **Advisory Business - Item 4**

FFG Partners, LLC DBA Fiori Financial Group (hereinafter "FFG" or the "firm") is a registered investment advisor based in Fort Lauderdale, Florida. We are a limited liability company, organized under the laws of the State of Florida. We have been providing investment advisory services since 2022. Marguerite Maria Fiori and Scott David Verlangieri are the principal owners of FFG through their respective ownership of Fiori Financial Group, Inc. and SDV Capital, Inc.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, an employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized for each individual Client:

- **Portfolio Management Services**
- **Pension Consulting Services**

#### **Portfolio Management Services - Wrap Fee Program**

FFG is the portfolio manager and sponsor of the FFG Wrap Fee Program. A wrap fee program combines portfolio management, advisory services, and trade execution for a single fee. FFG, as portfolio manager is responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by and custodied at Folio Investments, Inc. d/b/a Goldman Sachs Custody Solutions (Goldman Sachs), a FINRA-registered broker-dealer, member SIPC. The Client pays FFG an all-inclusive Wrap fee. FFG pays Goldman Sachs a portion of this fee for trade execution expenses. Detailed information about the FFG Wrap Fee Program and program fees is provided in the Form ADV Part 2A, Appendix 1 (Wrap Brochure) that is attached to this Form ADV Part 2A Disclosure Brochure.

As part of our overall portfolio management services, we provide asset allocation review, rebalancing and management services for accounts that are not held in custody of the qualified custodian(s) recommended by our firm. These services are provided through an account aggregation service called Pontera. The service primarily applies to ERISA and non-ERISA plan assets such as 401(k)s and 403(b)s, and other assets that must be held in custody of the plan custodian(s). We regularly review the available investment options in these accounts, monitor them, and periodically rebalance and implement our strategies using different tools as necessary. If you elect to allow us to manage your assets through Pontera, you will be notified via email when we place trades through Pontera.

#### **Pension Consulting Services**

FFG provides several defined contribution plan and defined benefit plan consulting services separately or in combination. While the primary Clients for these services will be pension, profit sharing, and 401(k) plans, FFG will also offer these services, where appropriate, to businesses, individuals, trusts, estates, and charitable organizations. Pension consulting services are comprised of four distinct services. Clients may choose to use any or all of these services:

#### **Selection of Investment Vehicles**

FFG will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products, and mutual funds (both index and managed) to determine which of these investments are appropriate. The number of investments to be recommended will be determined by the Client.

#### **Monitoring of Investment Performance**

Client investments will be monitored continuously. Although FFG will not be directly effecting transactions, FFG will supervise the Client's portfolio and will make recommendations to the Client as market factors and the Client's needs dictate through periodic reviews.

**Employee Communications**

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), FFG also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by FFG and the Client under the guidelines established in ERISA Section 404(c). Generally, the educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries 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. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

**Assets Under Management**

As of March 24, 2023, we manage approximately \$324,231,233 in client assets on a discretionary basis and approximately \$0 in client assets on a non-discretionary basis.

**Fees and Compensation - Item 5**

**Portfolio Management Services - Wrap Fee Program**

Detailed information about the FFG Wrap Fee Program and program fees is provided in the Form ADV Part 2A, Appendix 1 (Wrap Brochure) that is attached to this Form ADV Part 2A Disclosure Brochure.

**Pension Consulting Services Fees**

The compensation arrangement for pension consulting services is based on fixed fees, or a percentage of the plan assets. Services will be negotiated on a case-by-case basis. The exact services to be provided, the fee to be paid by the Client, fee payment arrangements, how to terminate the contract, and other terms will be clearly stated in the pension consulting agreement signed by the Client and FFG.

Clients who choose to have FFG's fee deducted directly from their account must provide authorization. The qualified custodian holding Client funds and securities will send an account statement on at least a quarterly basis. This statement will detail account activity. Clients are encouraged to review each statement for accuracy.

**Additional Information about Fees and Expenses**

All fees paid to FFG for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by investment companies like unit investment trusts, mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without the services of FFG. In which case, you would not receive ongoing planning and portfolio management services provided by FFG, which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate for your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by FFG to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided. Although FFG uses its best efforts to purchase lower cost mutual fund shares when available, some mutual fund companies do not offer institutional classes to us or funds that do not pay 12b-1 distribution fees.

ERISA Accounts: FFG is deemed to be a fiduciary to advisory Clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, FFG may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset FFG's advisory fees.

#### **IRA Rollover Considerations**

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries 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. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

#### **Compensation for the Sale of Investment Products**

##### Compensation for the Sale of Securities

Certain Executive officers and other Associated Persons of FFG are registered representatives of Private Client Services ("PCS"), a licensed full-service securities broker-dealer under federal and state securities laws. PCS is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not**

**affiliated with our firm. Executive Officers and Associated Persons of FFG will never receive commissions for securities transactions in advisory accounts managed by FFG.**

Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of FFG are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

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

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

Types of Clients - Item 7

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

FFG requires a minimum of \$2,500,000 to establish an advisory relationship. In our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

FFG advisors may use various methods to determine an appropriate investment strategy for your portfolio with the goal of reducing risk and increasing performance in each customized portfolio. We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and portfolio models to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program.

**Methods of Analysis**

FFG uses Fundamental, Technical and charting analysis in formulating investment advice:

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine a company's or a security's true value by looking at all aspects of the business,

including both tangible factors (e.g., machinery buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of determining what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical Analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

Charting analysis involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends. The primary risk of charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

#### **Investment Strategies**

We may use one or more of the following investment strategies when advising you on investments:

*Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

*Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

*Trading* – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in



exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

*Margin Transactions* – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker-dealer can force the sale of securities or other assets in your account.
- The broker-dealer can sell your securities or other assets without contacting you.
- You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
- The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- You may not be entitled to an extension of time on a margin call.

*Option Writing* – an option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e., the "exercise price") by exercising the option before its specified expiration date. Options giving you the right to buy are called "call" options. Options giving you the right to sell are called "put" options. When trading options on behalf of a Client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

*Short Sales* - securities transaction in which an investor sells securities that were borrowed in anticipation of a price decline. The principal type of risk associated with short selling is that the investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.

#### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities, as described below:

**Recommendation of Particular Types of Securities:** We provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each Client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Equity (stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based

on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. In addition pricing risk if not held to maturity and interest rate move.

**Concentrated Position Risk:** Certain Associated Persons may recommend that Clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than it would if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

**Preferred Securities Risk:** Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast, preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Inverse Funds:** Inverse mutual funds and ETFs, which are sometimes referred to as "short" funds, seek to provide the opposite of the single-day performance of the index or benchmark they track. Inverse funds are often marketed as a way to profit from, or hedge exposure to, downward moving markets. Some inverse funds also use leverage, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark (i.e., -200%, -300%). In addition to leverage, these funds may also use derivative instruments

to accomplish their objectives. As such, inverse funds are highly volatile and provide the potential for significant losses.

**Management Risk:** Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**Municipal Securities Risk:** The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax changes, as well as by financial developments that affect the municipal issuers. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues, revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

**Foreign Securities Risk:** Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

**Recommendation of Other Advisers:** In the event we recommend a sub-adviser to manage all or a portion of your assets, we will primarily rely on investment model portfolios and strategies developed by the sub-advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a sub-adviser. The primary risks associated with investing with a sub-adviser is that while a particular sub-adviser may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account.

**Alternatives Risk:** Non-traded REITs, business development companies, limited partnerships, and direct alternatives are subject to various risks such as liquidity and property devaluation based on adverse economic and real estate market conditions and may not be suitable for all investors. A prospectus that discloses all risks, fees, and expenses may be obtained from your advisor. Read the prospectus carefully before investing. This is not a solicitation or offering which can only be made in conjunction with a copy of the prospectus. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternatives investments.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are

not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a Client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the Client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Illiquid securities:** Illiquid securities involve the risk that investments may not be readily sold at the desired time or price. Securities that are illiquid, that are not publicly traded and/or for which no market is currently available may be difficult to purchase or sell, which may impact the price or timing of a transaction. An inability to sell securities can adversely affect an account's value or prevent an account from taking advantage of other investment opportunities. Lack of liquidity may cause the value of investments to decline and illiquid investments may also be difficult to value. A Client may not be able to liquidate investment in the event of an emergency or any other reason.

Certain investment strategies used by our firm may invest in illiquid asset vehicles, such as private equity and real estate. Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle's investment policy and governing documents, which often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc. In addition, investments in illiquid securities or vehicle may normally involve investment in non-marketable securities where there is limited transparency. If obligated to sell an illiquid security prior to an expected maturity date, particularly with an infrastructure investment, they may not be able to realize fair value. Investments in illiquid securities or vehicles may include restrictions on withdrawal rights and shares may not be freely transferable.

**Structured Notes:** Below are some specific risks related to the structured notes recommended by our firm:

- **Complexity:** Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- **Market risk.** Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not

offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.

- *Issuance price and note value:* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.
- *Liquidity:* The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.
- *Credit risk:* Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

**Cybersecurity Risks:** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, Clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a Client's investment in such entities to lose value.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Cryptocurrency Risk:** Cryptocurrency (e.g., bitcoin and ether), often referred to as "virtual currency", "digital currency," or "digital assets," is designed to act as a medium of exchange. Cryptocurrency is an emerging asset



class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm's Clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm's Clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the Client's investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's Clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and "flow-through" to the underlying investors.

#### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events to report in this section.

#### **Other Financial Industry Activities or Affiliations - Item 10**

Neither FFG nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either party have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

#### **Compensation for the Sale of Securities**

Certain Executive officers and other Associated Persons of FFG are registered representatives and investment adviser representatives of Private Client Services ("PCS"), a licensed full-service securities broker-dealer and investment adviser under federal and state securities laws. PCS is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC").

In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty of acting in the best interest of the Client. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

We do not expect our Associated Persons' registration as investment adviser representatives of PCS to trigger a conflict of interest because advisory clients of our firm will not become advisory clients of PCS.

#### Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of FFG are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

#### Non-Advisory Real Estate and Property Management Activities

FFG and its Associated Persons provide real estate consulting services to certain of the firm's Clients for separate compensation. Compensation earned by the firm and its Associated Persons for real estate related activities is separate and in addition to our advisory fees. Such compensation provides Associated Persons with an incentive to recommend real estate services. This creates a conflict of interest. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. Clients of our firm have the option to obtain real estate consulting services through other entities that are not affiliated with our firm.

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

#### **Description of Our Code of Ethics**

FFG has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes FFG's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;



- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of FFG's Code of Ethics is available upon request to our firm at (954) 763-2600 or at [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com).

#### **Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Item 10 above for information about the recommendation of securities in which related persons has a material financial interest and the conflicts of interest associated with such practices.

#### **Personal Trading Practices**

At times, FFG and/or its related persons take positions in the same securities as Clients, which poses a conflict of interest with Clients. In an effort to uphold our fiduciary duties to Clients, FFG and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale that is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be deemed a material conflict requiring disclosure at the time of trading. Alternatively, Accounts owned by our firm or persons associated with our firm participate in block trading with Client accounts; however, they will not be given preferential treatment. Mutual fund purchases are not subject to these policies because the transactions are executed at NAV at the end of the trading day.

### **Brokerage Practices - Item 12**

#### **Brokerage and Custodial Services Offered by Goldman Sachs**

FFG recommends that you establish brokerage accounts Folio Investments, Inc. d/b/a Goldman Sachs Custody Solutions, a registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"), to maintain custody of assets and to effect trades. Factors that FFG considers in recommending Goldman Sachs to Clients include their respective financial strength, reputation, execution, pricing, quality of research and service. Goldman Sachs services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Goldman Sachs generally does not charge you separately for brokerage and custody services, but it is compensated by charging an asset-based fee directly to our firm. The fee is indirectly passed on to the Client through our wrap program fee. At this time (July 2022), we have negotiated an asset-based fee of 7 bps that we pay directly to Goldman Sachs.

#### ***Research and Other Soft Dollar Benefits***

Goldman Sachs has agreed to provide us with transition assistance in the form of a reimbursement of our first quarter's asset-based fees and a waiver of our Clients' ACAT fees for accounts that are moved to Goldman Sachs' custodial platform. In addition, FFG receives certain economic benefits from Goldman Sachs in the form of access to its institutional brokerage, trading, custody, reporting and related services. Goldman Sachs also makes available various support services. Some of those services help us manage or administer our Clients' accounts while others

help us manage and grow our business. Goldman Sachs' support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Below is a detailed description of these support services:

*Services that Benefit You:* Goldman Sachs' institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Goldman Sachs include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Goldman Sachs' services described in this paragraph generally benefit you and your account.

*Services that Do Not Directly Benefit You:* Goldman Sachs also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Goldman Sachs' own and that of third parties. We use this research to service all or some substantial number of our Clients' accounts, including accounts not maintained at Goldman Sachs. In addition to investment research, Goldman Sachs also makes available software and other technology that:

- provide access to Client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our Clients' accounts; and
- assist with back-office functions, recordkeeping, and Client reporting.

*Services that Generally Benefit Only Us:* Goldman Sachs also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Goldman Sachs provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Goldman Sachs typically discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Goldman Sachs occasionally provides us with other benefits such as occasional business entertainment of our personnel.

The receipt of additional benefits from Goldman Sachs gives us an incentive to require that you maintain your account with Goldman Sachs based on our interest in receiving additional services from Goldman Sachs rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Goldman Sachs as broker-dealer/custodian is in the best interests of our Clients. Our belief is primarily supported by the scope and quality of services Goldman Sachs provides to our Clients and not services that benefit only us. To address the existence of this conflict, on a periodic basis, we conduct a best execution review considering the full range and quality of Goldman Sachs' services, including execution quality, the value of research provided, financial strength, and responsiveness to our requests for trade data and other information. Our obligation is not necessarily to get the lowest price but to obtain the best qualitative execution.

#### **Trade Aggregation**

While individual Client advice is provided to each account, Client trades can be executed as a block trade. The executing broker will be informed that the trades are for the account of FFG's Clients and not for FFG itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price. The aggregation should, on average, reduce

slightly the overall costs of execution. We will not aggregate a Client's order if in a particular instance we believe that aggregation would cause the Client's cost of execution to be increased. The broker-dealer will be notified of the amount of each trade for each account. FFG and/or its Associated Persons participate in block trades with Clients, and can also participate on a pro rata basis for partial fills, but only after the determination has been made that Clients will receive fair and equitable treatment.

**Directed Brokerage**

FFG allows Clients to direct brokerage. FFG will be unable to achieve most favorable execution of Client transactions if Clients choose to direct brokerage to a broker-dealer that does not have an existing relationship with our firm. Directed brokerage arrangements can result in higher overall costs because, without the ability to direct brokerage, FFG will not be able to aggregate orders to reduce transactions costs. Not all investment advisers allow their Clients to direct brokerage.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Review of Accounts - Item 13****Portfolio Management Account Reviews**

FFG monitors Client account holdings on a continuous basis and conducts a formal review of investment allocations at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. FFG may also provide performance reports on an as needed basis.

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

FFG has brokerage and clearing arrangements with Goldman Sachs and the firm will receive additional benefits from Goldman Sachs in the form of electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services. Please refer to Item 12 above for more information about the receipt of additional benefits from broker-dealers/custodians.

FFG may compensate outside firms or individuals for referral activities. These fees may come in the form of marketing or referral fees paid directly to that entity by FFG. The exact compensation arrangement will vary depending on the individual circumstances and factors associated with the referral. Fees are typically based on a portion of the management fees charged to Clients by FFG and paid to others who introduced said Client to FFG. In all cases, FFG will comply with the cash solicitation rules established by the SEC and/or applicable state regulators, and with Client disclosure requirements.

#### Custody - Item 15

FFG is deemed to have custody of Client funds because of the fee deduction authority granted by the Client in the Advisory Agreement. You will receive account statements at least quarterly from the broker-dealer or other qualified custodian. The custodian will not verify the calculation of the advisory fees. You are urged to review custodial account statements for accuracy.

With respect to third party standing letters of authorization ("SLOA") where a Client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we are in compliance with the representations noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

#### Investment Discretion - Item 16

FFG offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in Client accounts. However, our firm does not retain discretionary authority to select the broker-dealer used for transactions, or commission rates paid.

Apart from the ability to withdraw management fees and the ability to transfer Client assets limited to standing letters of authorization as granted in writing by the Client, FFG does not have the ability to withdraw or dispose of funds or securities from the Client's account. The Client provides FFG discretionary authority via a limited power of attorney in the management agreement and in the contract between the Client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

FFG does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about FFG's, financial condition. FFG does not require the prepayment of over \$1,200, six or more months in advance. Additionally, FFG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

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<b><u>Requirements of State-Registered Advisers - Item 19</u></b>
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<b>This section is not applicable because our firm is SEC registered.</b>
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## Form ADV Part 2A, Appendix 1: Wrap Fee Program Brochure

### Cover Page - Item 1



**FFG Partners, LLC  
DBA  
Fiori Financial Group**

205 SE 20th Street  
Fort Lauderdale, FL 33316  
Phone: (954) 763-2600  
Fax: (954) 337-2455

Email: [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com)

Website: [www.fiorifg.com](http://www.fiorifg.com)

**October 13, 2023**

FFG Partners, LLC DBA Fiori Financial Group is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This wrap fee program brochure provides information about the qualifications and business practices of Fiori Financial Group. If you have any questions about the contents of this brochure, please contact us at (954) 763-2600. 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 Fiori Financial Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our firm's CRD number is 318641.

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this wrap fee brochure.

On March 29, 2023, we submitted our annual updating amendment filing for fiscal year 2022. There were no material changes to report.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (954) 763-2600 or at [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com).

**Table of Contents - Item 3**

A table of contents is provided in Item 3 of the firm's Form ADV Part 2A Disclosure Brochure above.



#### **Services Fees and Compensation - Item 4**

##### **Services**

FFG Partners, LLC DBA Fiori Financial Group (hereinafter "FFG") offers a wrap fee program, the FFG Wrap Fee Program, whereby FFG manages Client accounts for a single, bundled fee that includes portfolio management services, custodial services, and transaction/commission costs. Under the FFG Wrap Fee Program, FFG offers discretionary investment advice designed to assist Clients in obtaining professional portfolio management for an inclusive "wrap fee."

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

As primary portfolio manager, FFG and its Associated Persons are responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by Folio Investments, Inc. d/b/a Goldman Sachs Custody Solutions (Goldman Sachs), a registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

FFG receives a portion of the Wrap Fee for portfolio management services and Goldman Sachs will receive a portion of the fee for trade execution and custodial services. The terms and conditions under which a Client participates in the FFG Wrap Fee Program are set forth in the written agreement between the Client and FFG. The overall cost incurred from participation in the FFG Wrap Fee Program may be higher or lower than it would if the services were purchased separately.

The portfolio management services for the FFG Wrap Fee Program are offered on a discretionary basis. Our investment advice is tailored to meet our Clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Once the portfolio allocation has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. Discretionary authorization is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted using either the investment advisory agreement the Client signs with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with restrictions and guidelines in writing.

Wrap accounts are managed to diversify Clients' investments and may include various types of securities such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, alternative investments, structured notes, and interests in partnership investing in real estate. Additionally, we will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity and suitability.

Once the Client portfolio is constructed, FFG provides continuous supervision of the portfolio as changes in the market conditions and Client circumstances may require. Investments and allocations are determined based upon the Clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and guidelines imposed by Clients may affect the composition

and performance of a Client's portfolio. For these reasons, performance of the portfolio might not be identical with other Clients of FFG. We review the Clients' financial circumstances and investment objectives on an ongoing basis and make adjustments to Clients' portfolios or allocation models as may be necessary to achieve the desired results.

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any changes in your financial circumstances or investment objectives that might affect the manner in which your accounts should be managed.

**Fees**

FFG charges a single negotiable asset-based fee for its management services, which includes the cost of portfolio management services, custodial services and the execution of securities transactions. This fee is deducted from the Client's account held at the custodian. The Client authorizes FFG to debit the fee from the Client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

Since the fee is negotiable, the exact fee paid by you will be stated in the advisory agreement signed by you and us. The maximum fee will not exceed 1.65% and will be outlined on the Advisory Services Agreement. The annual fee for the FFG Wrap Fee Program is billed quarterly, in advance, and is based on the value of your portfolio at the end of the preceding quarter. Fees will be assessed pro rata in the event the Agreement is executed at any time other than the first day of a billing period. We may deduct the fee from a single, Client-designated account to facilitate billing.

For held away assets managed through Pontera, Pontera does not offer us the ability to deduct fees from the account. As such, fees for the management of held away assets will either be paid directly by you or deducted from another account that we manage for you at the qualified custodian(s) recommended by us. Please note that all transaction fees (if any) associated with trades placed through Pontera will be borne by the client and not FFG.

We encourage you to carefully review the statements you receive from the qualified custodian. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

**Termination**

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The management agreement between you and FFG will continue in effect until either party terminates the management agreement in accordance with the terms of the management agreement. FFG's annual fee will be pro-rated through the date of termination. Any pre-paid, unearned fees will be promptly refunded to the Client.

**Additional Fees and Expenses**

The fees are charged as described above and are not based on a share of capital gains of the funds of an advisory Client.

The FFG Wrap Fee Program fees do not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through Goldman Sachs, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

All fees paid to FFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each

fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

Each mutual fund, ETF, or variable annuity in which the Account may be invested will also charge a management fee, other internal expenses, and a possible distribution fee. Certain mutual funds offered through the FFG Wrap Fee Program may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time. In the rare event an early redemption charge is assessed, the charge would be offset by the advisory fee or paid by FFG.

Otherwise, all of the fees and expenses discussed above will be indirect expenses borne by the Account, and will be in addition to the FFG Wrap Fee Program fee. You should consider all of these fees and expenses (including the FFG Wrap Fee Program fee) to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expense related to mutual funds, ETFs, or variable annuities are disclosed in their respective prospectus or summary disclosure document.

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

**Negotiability of Fees:** We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in this brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

**Billing on Cash Positions:** The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm'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), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the Client's cash or cash equivalent positions.

**Periods of Portfolio Inactivity:** The firm has a fiduciary duty to provide services consistent with the Client's best interest. As part of its investment advisory services, the firm 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, fund manager tenure, style drift, account additions/withdrawals, the Client's financial circumstances, and changes in the Client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a Client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

**Billing on Margin:** Unless otherwise agreed in writing, the gross amount of assets in the Client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees, which will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with Clients. Clients are free to restrict the use of margin by our firm. However, Clients should note that any restriction on the use of margin may negatively impact an account's performance in a rising market.

Please refer to Item 5 of Form ADV Part 2A above for more information about Fees and Expenses.

#### **Other Important Considerations**

- Wrap fee programs are not suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations. The wrap fee program fee may cost the Client more than it would if assets were held in a traditional brokerage account. In a brokerage account, a Client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the Client plans to follow a buy and hold strategy for the account or does not wish to use FFG for ongoing investment advice or management services, the Client should consider opening a brokerage account rather than a wrap fee program account.
- The investment products available to be purchased in the wrap fee program can be purchased by Clients outside of a wrap fee program account, through broker-dealers or other investment firms not affiliated with FFG. In such cases, our firm would not provide ongoing supervisory and management services for the account.
- Our firm and our advisory representatives will receive compensation as a result of your participation in the FFG Wrap Fee Program. In certain cases, this compensation will be more than the amount our firm or the representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our representatives have a financial incentive to recommend the FFG Wrap Fee Program over other programs or services for which the compensation arrangements are not as beneficial.
- Due to the single fee charged to a FFG Wrap Fee Program account, we are regarded as having a conflict of interest in that we can realize a greater profit on a FFG Wrap Fee Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

#### **Account Requirements and Types of Clients - Item 5**

We generally offer investment advisory services to individuals, pension and profit-sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

FFG requires a minimum of \$2,500,000 to establish an advisory relationship. In our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

#### **Portfolio Manager Selection and Evaluation - Item 6**

##### **Portfolio Managers**

FFG is the sponsor and sole portfolio manager of the FFG Wrap Fee Program. Each account is managed by the Associated Person assigned to the Client relationship. We have chosen not to utilize outside portfolio managers. Therefore, there is no selection and review of outside portfolio managers. Neither us, nor any third party reviews performance information to determine or verify its accuracy.

Where required, Associated Persons responsible for the management of the account are registered as investment adviser representatives. Clients should refer to each Associated Person's Form ADV Part 2B Supplement, provided to you along with the copy of our disclosure brochure, for more information about their disciplinary, business and

educational backgrounds. Please contact us at (954) 763-2600 or at [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com) with any questions you may have.

Clients will receive statements directly from their account custodian(s) at least quarterly. FFG may also provide performance reports on an as needed basis.

**Other Advisory Services**

Please refer to Item 4 of the firm's Form ADV Part 2A Disclosure Brochure above for information about other advisory services offered by FFG.

**Performance-Based Fees and Side-By-Side Management**

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

**Investment Strategies**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about FFG's investment strategies.

**Methods of Analysis**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about the methods of analysis used by FFG.

**Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Please refer to Item 8 of our Form ADV Part 2A Brochure above for a detailed discussion of the various risks associated with investing in securities.

**Proxy Voting**

FFG does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

**Client Information Provided to Portfolio Managers - Item 7**

FFG is the sole sponsor of the FFG Wrap Fee Program and together with its portfolio managers has access to and is responsible for maintaining all information provided by Clients. Client information will be updated in our firm's records upon notification of changes provided by Clients and during Client meetings.

#### **Client Contact with Portfolio Managers - Item 8**

FFG is the sole sponsor and portfolio manager to the FFG Wrap Fee Program. Clients are free to contact FFG or their designated investment adviser representative at any time with questions regarding the FFG Wrap Fee Program. We can be reached at (954) 763-2600 or at [Abraham.Arce@fiorifg.com](mailto:Abraham.Arce@fiorifg.com).

#### **Additional Information - 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 us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events to report in this section.

##### **Other Financial Industry Activities or Affiliations**

Please refer to Item 10 of our Form ADV Part 2A Brochure above for more information about our other financial industry activities and/or affiliations.

##### **Description of Our Code of Ethics**

Please refer to Item 11 of our Form ADV Part 2A Brochure above for more information about our Code of Ethics.

##### **Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Item 10 of our Form ADV Part 2A Brochure above for information about the recommendation of securities in which related persons has a material financial interest and the conflicts of interest associated with such practices.

##### **Personal Trading Practices**

Please refer to Item 11 of our Form ADV Part 2A Brochure above for more information about our Personal Trading Practices.

##### **Account Reviews, Statements and Reports**

Please refer to Item 13 of our Form ADV Part 2A Brochure above for more information about Account Reviews, Statements and Reports.

##### **Brokerage Practices**

Please refer to Item 12 of our Form ADV Part 2A Brochure above for more information about our Brokerage Practices.

##### **Client Referrals and Other Compensation**

Please refer to Item 12 of our Form ADV Part 2A Brochure above for more information about the receipt of additional benefits from broker-dealers.

Our firm and our Associated Persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

##### **Financial Information**

We are required in this Item to provide you with certain financial information or disclosures about FFG's, financial condition. FFG does not require the prepayment of over \$1,200, six or more months in advance. Additionally, FFG

has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

**Requirements for State-Registered Advisors - Item 10**

**This section is not applicable because our firm is SEC registered**

### **FFG Partners, LLC dba Fiori Financial Group Privacy Notice**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

FFG Partners, LLC DBA Fiori Financial Group (FFG) must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

**Regulation S-AM:** Under Regulation S-AM, we are prohibited from using eligibility information that we receive from an affiliate to make a marketing solicitation unless: (1) the potential marketing use of that information has been clearly, conspicuously, and concisely disclosed to the consumer; (2) the consumer has been provided a reasonable opportunity and a simple method to opt out of receiving the marketing solicitations; and (3) the consumer has not opted out. We do not receive information regarding marketing eligibility from affiliates to make solicitations.

**Regulation S-ID:** Regulation S-ID requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect potential red-flags to prevent and mitigate identity theft.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

FFG strives to maintain accurate personal information in our Client files at all times. However, as personal situations, facts and data change over time; we encourage our Clients to provide feedback and updated information to help us meet our goals.

#### **CLOSED OR INACTIVE ACCOUNTS**

If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.



**CHANGES TO THIS PRIVACY POLICY**

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you.  
If you have any questions concerning this Privacy Policy, please contact us.