



## **Focus Financial Network Advisory Services Program**

(ADV Part 2A)

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This Brochure provides information about the qualifications and business practices of Focus Financial Network, Inc. (hereinafter referred to as “Focus Financial,” “FFN,” or “we”). If you have any questions about the content of this Brochure, please contact us at 651-631-8166.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

FFN is registered as an investment adviser with the SEC. The fact that FFN is “registered” does not imply any level of skill or training. You should not make a determination to hire or retain any adviser based solely on the fact that the adviser is registered.

Additional information about FFN is available on the SEC’s Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s Web site also provides information about any persons affiliated with us who are registered as Investment Adviser Representatives of FFN.

## Item 2 Material Changes

This Item 2 summarizes only the material changes that were made since the Brochure issued on March 28, 2024. It is not a summary of the Brochure in its entirety. Following is a listing of the material changes:

1. In Item 4C we added language specifying which services are fiduciary in nature.
2. In Item 4D, we updated the Discretionary and Non-Discretionary Assets Under Management.
3. We updated information regarding Estate Planning Service in Item 10 D.
4. In Item 14, we have added information regarding Custodian's programs for Advisors as well as language regarding an advertising and referral program utilized by certain Advisors.
5. We have added clarifying language to Item 15, Custody.

You may obtain a copy of our current Brochure any time by contacting our Firm's Chief Compliance Officer at the telephone number listed on the cover page of this Brochure.

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## Item 4 Advisory Business

### A. Business Commencement Date

Focus Financial Network, Inc. ("FFN") was formed in Minnesota in September of 1993.

### B. Ownership

FFN is owned by multiple individuals. None has an ownership interest greater than 20 percent.

### C. Services

Advisory accounts are managed by Investment Advisory Representatives affiliated with us (each, an "Advisor"). Your Advisor might not offer all the advisory services and programs described in this Brochure. Talk to your Advisor about the services he/she provides.

#### **MANAGED ACCOUNT SERVICES**

We offer personalized management services tailored to your individual needs. Your Advisor elicits information about your financial situation, investment objectives, retirement goals, risk tolerance, liquidity or cost of living needs, education funding objectives, and investment time horizons (collectively, your "Investor Profile"). Your Advisor will analyze your information and construct a customized allocation mix and investment strategy that he/she believes is suitable. Your Advisor provides continuous and ongoing management of your account. As agreed by you and your Advisor, asset management services will be provided on either a discretionary or non-discretionary basis, as described below.

**Discretionary.** You grant us the authority to buy and sell securities in your account without having to obtain your prior authorization for each trade.

**Non-discretionary.** We will need your approval before effecting each transaction in your account. If you approve a recommended transaction, we will arrange the transaction.

We offer these managed account services if your account is held by one of the following firms:

- Osaic Wealth, Inc. ("Osaic Wealth") custodied at Pershing, LLC ("Pershing")
- Charles Schwab & Co., Inc. ("Schwab")
- National Financial Services, LLC and Fidelity Brokerage Services, LLC (together, "Fidelity") (if the account is a Qualified Corporate Retirement Plan)
- Directly with the variable annuity company

Since transaction recommendations and decisions are based on each client's Investor Profile, recommendations for or actions in your account may differ from or conflict with the advice we give to or actions we take in other client accounts. Some custodians (such as Schwab) provide an automated rebalancing option where your asset holdings will be rebalanced at certain intervals.

If you select a firm that is not listed above for custodial and/or brokerage services, you will not be able to receive managed account services from us. Instead, your Advisor can provide you with Recommendation Services (see below).

## **RECOMMENDATION SERVICES**

On an ongoing basis, consistent with your Investor Profile, your Advisor will recommend investment strategies, asset allocation mixes, or securities transactions on a non-discretionary basis. You will implement the recommendations as you see fit and arrange for the transactions in your account. We will not have the authority to buy or sell securities in your account.

## **WRAP PROGRAM ACCOUNTS**

We offer discretionary asset management services through two different wrap fee programs (the "Wrap Programs"). In a Wrap Program, you pay a "wrap fee" that covers the advisory services offered by us, the execution of transactions in the advisory account by the program's broker-dealer (the "Wrap Broker"), and the custodial services. We remit a portion of the wrap fee we collect to the Wrap Broker for its execution services. For Wrap Program accounts, we direct all account brokerage transactions to the Wrap Broker to prevent incurring additional transaction charges outside of the wrap fee. We might not be able to obtain the most favorable price because we might not be able to aggregate or batch the trades from these accounts with other client trades. In addition, the wrap fee program may cost you more or less than purchasing such services separately, particularly where there are a low number of transactions. See Item 5 below, which provides fee schedules for wrap accounts as well as for non-wrap accounts. Specific information about each Wrap Program we offer is available in the applicable Wrap Fee Program Brochure that is provided prior to or concurrent with enrollment in the Program. Summary information about our Wrap Programs follows:

### **Vision2020 Wealth Management - Advisor Managed Portfolios Program**

Through the Advisor Managed Portfolios ("AMP") Program, your Advisor manages your assets using asset allocation planning software that offers risk tolerance assessment tools, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Your Advisor uses these tools to construct an investment portfolio based on your risk tolerance (which is determined through a detailed questionnaire) as well as your specific investment objectives, time horizon, and overall financial situation (collectively, your "Investor Profile"). Pershing provides the execution, clearing and custodial services. Your Advisor can allocate your portfolio among a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities ("Program Investments") consistent with your Investor Profile. Each portfolio is designed to help you meet your stated goals and objectives. We will have the discretionary authority to buy and sell securities in your account consistent with any reasonable restrictions you place on the types of securities that can be purchased. If the restrictions you wish to impose prevent us from properly servicing the account or would require us to deviate from our standard suite of services, we may terminate the relationship. See the Advisor Managed Portfolios Wrap Fee Program Brochure for further information.

### **Vision2020 Wealth Management - Unified Managed Account Program**

The Wealth Management Platform - Unified Managed Account ("UMA") Program provides the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. After you discuss your financial goals and objectives with your Advisor, we will recommend an asset allocation model ("UMA Model") that will consist of investment strategies created and managed by investment managers or your Advisor. Generally, assets are invested in a selection of mutual funds, exchange traded products, equities, and/or bonds. We will recommend a UMA Model to you based on your

responses to a Questionnaire, your investment objectives and goals, risk tolerance, investment time horizon, and overall financial situation. In addition, you can place reasonable restrictions on investing in certain securities or types of securities within your UMA. All recommendations in the UMA are made on a discretionary basis, which means your Advisor can buy and sell securities without your prior approval. See the Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure for further information.

### **THIRD PARTY MANAGERS**

In some cases, particularly for clients having investable assets under \$10,000, your Advisor may recommend utilizing the services of a third-party investment adviser. These third parties are not affiliated with us and we do not manage, control, or supervise their activities.

#### **Turn-Key Asset Management Program (Orion)**

The Turn-Key Asset Management Program (“TAMP”) consists of various model portfolios made available by and managed by a third-party investment adviser, Orion Portfolio Solutions, LLC (“Orion”). Your Advisor evaluates the objectives and risk profiles of the available models, which range from conservative to moderate, in conjunction with your investment objectives, risk tolerance, and financial profile to assist you in determining which model is best suited for you. For each model, money is invested in mutual funds, cash, and/or cash equivalents. Your account will be invested in accordance with the selected model. Accounts are rebalanced when additional contributions exceed 10% of the portfolio’s value and at the discretion of the Advisor. Clients in this program will enter into a separate agreement with Orion to grant Orion the discretionary authority to purchase and sell assets on their behalf within the selected model. The limitations on Orion’s authority as well as their fees and billing methods are described in Orion’s Form ADV Part 2A Brochure and/or its Client Agreement. Our advisory fees are in addition to Orion’s fees. Your Advisor will remain available to answer questions you have regarding your account.

#### **Third Party Manager Platforms**

Your Advisor develops a customized portfolio tailored to your investment objectives, risk tolerance, and financial profile. Your Advisor determines the securities to be purchased and sold and when to execute the purchases and sales within your account. Your Advisor also determines when to rebalance the account or revise the allocation of the account. Transactions are conducted on a discretionary basis (i.e. you will not receive prior notice of securities transactions). Your Advisor uses a third party’s platform to arrange for the transactions in your account. A portion of the fee you pay to us is given to the third party to pay for use of the platform.

### **RETIREMENT PLAN CONSULTING SERVICES**

We offer the following retirement plan and other consulting services to Employer-Sponsored Plans. Our role is limited to providing generalized, non-discretionary advice concerning the merits and risks of investments. Some components of our services are fiduciary in nature and other components are non-fiduciary, as indicated below.

#### **Platform Provider Search and Plan Set-up** (fiduciary and non-fiduciary)

We gather information about the company (statistical data, goals, objectives, and needs). Based on this information, we request proposals from appropriate interested providers. We review the proposals with the company to help select the appropriate platform. We assist in

setting up the plan and communicating the plan to the plan participants.

**Strategic Planning and Investment Policy Development or Review** (fiduciary and non-fiduciary)

We meet with the designated fiduciaries of the Plan to assist in developing an investment policy statement (the "IPS"). If the Plan already has an IPS, we will review the existing IPS and assist the Plan in determining whether (i) the performance of the Plan's investments is consistent with the goals set forth in its IPS; and/or (ii) the IPS should be revised based on our analysis of the Plan's liquidity requirements, performance goals and risk tolerance levels.

**Plan Review** (fiduciary and non-fiduciary)

We will review the structure of the Plan (*e.g.*, product vendors, investment options) to gauge whether it is operating in accordance with the Plan's IPS (if any) and governing plan documents. We will present recommendations in connection with our review. The Plan is ultimately responsible for deciding whether to accept our recommendations and for consulting with its legal counsel to ensure compliance with applicable laws.

**Fee and Cost Review** (non-fiduciary)

We will conduct an expense analysis of the various fees and costs borne by the Plan, including any fees paid from participant accounts, and report the results of such analysis to the plan fiduciary. Such analysis will compare the fees to one or more generally accepted benchmarks. The analysis will be based on information received from the Plan and/or its third-party service providers.

**Third Party Service Providers – Liaison** (non-fiduciary)

As agreed upon between FFN and the Plan, we will assist the Plan fiduciary(ies) in coordinating services offered by Plan service providers, including, as applicable, trustees, custodians, named fiduciaries (as defined by ERISA), actuaries, legal and/or accounting advisors, and other third party service providers.

**Assessment of Investments** (fiduciary and non-fiduciary)

As agreed upon between FFN and the Plan, we will (a) perform periodic reviews concerning fund performance, risk vs. return, fund expenses, number of participants, and asset allocation, and compile a list of funds to be considered for adding or removal, (b) prepare investment provider paperwork and participant notices to implement fund changes, and (c) review and monitor investment managers.

**Participant Education and Communication** (non-fiduciary)

We conduct investment education seminars and/or enrollment meetings where we provide descriptive information about the Plan, the benefits of Plan participation, and the investment options available. As agreed, services can also include:

- General financial and investment information
- Generic asset allocation models (including models for specific plan investment options)
- Assistance in selecting a third-party vendor to help in education and enrollment meetings
- Support in plan termination meetings to educate participants on their options
- General retirement planning seminars for participants

We can also provide advisory services directly to plan participants, plan benchmarking, plan conversion, assistance in plan mergers, and legislative and regulatory updates or plan corrections.

### **RECOMMENDATIONS (PENSION, PROFIT SHARING, 401(k) & 403(b) PLANS)**

On a one-time non-discretionary basis, your Advisor can recommend an asset allocation mix for your company's retirement plan within the available investment options. The plan will be responsible for implementing any accepted recommendations. If you would like to receive ongoing asset allocation recommendations, you will need to supply your Advisor with current statements of the plan's accounts on an ongoing basis.

### **FINANCIAL PLANNING SERVICES**

The agreement will specify the types of financial planning services to be provided. The types of financial planning advice we offer include, but are not limited to:

- Asset allocation recommendations tailored to your financial and tax status, investment objectives and risk tolerance.
- Tax Planning Illustrations
- Estate Planning Illustrations
- Employee Benefit Planning
- Insurance advice (provided at no charge where charges are prohibited by state statute)
- Accumulation Planning
- Retirement Planning Illustrations
- Cash Flow Analysis and/or Debt Analysis

Generally, planning services will involve a one-time analysis of your financial circumstances and objectives. The analysis can include present and anticipated assets and liabilities, insurance needs, savings, investments, and anticipated retirement or other employee benefits. The analysis can include recommendations and an action plan. You can also engage us for ongoing financial planning and consulting services on an annual basis, in which case you will have access to your Advisor at any time during the year upon your request. Services will include a financial analysis, updates to the financial cost analysis as requested by you, and consultation services upon your request during the year.

Financial plans and analyses are based on your financial situation at the time disclosed to us by you. Although certain assumptions will be made with respect to interest and inflation rates and market trends and performance, it's important to keep in mind that past performance is not indicative of future performance. We cannot give any guarantee as to results and we cannot assure that the objectives of the accounts will be realized. You should notify us if your financial situation or investment objectives change.

**ROLLOVER RECOMMENDATIONS.** When leaving an employer, you typically have four options (alone or in combination) regarding an existing retirement plan: (i) leave the money in the former plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an individual retirement account (IRA), or (iv) cash out the account value (which could, depending on your age, have adverse tax consequences). We have an inherent conflict of interest when recommending that you roll over your money into an



account managed by us if we charge based on the advisory account's value. Upon any rollover recommendation, we will give you a disclosure notice about your options that you should carefully consider before taking any action. You are never under any obligation to rollover retirement plan assets to an account managed by us.

**GENERAL INFORMATION.** Our investment advice and recommendations should not be construed as legal or accounting advice. Transactions in your account, account reallocations, and rebalancing might trigger a taxable event. You should coordinate and discuss the impact of financial advice and decisions with your attorney and/or accountant. You should inform us promptly about any material changes in your financial situation and investment objectives.

**INVESTMENT PRODUCT TYPES.** Generally, our investment advice is confined to the following universe of securities and products:

- Exchange-traded equity securities
- U.S. government securities
- Mutual funds (open end and closed end)
- Variable contracts (including variable annuities)
- Exchange-traded funds (ETFs)
- Real estate investment trusts (REITs)

#### **D. Assets Under Management**

As of December 31, 2024, FFN was managing \$5,896,292,113 on a discretionary basis and \$366,371,395 on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **A. Fees**

Fees are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds. Each Advisor negotiates his or her own account fee schedule.

#### **MANAGED ACCOUNT SERVICES**

Typically, advisory fees are charged quarterly and in advance based upon the value of your portfolio on the last business day of the just completed calendar quarter. The initial advisory fee is based on the value of your account upon establishment (i.e. when all initial expected assets have been received into the account). Advisory fees for accounts opened on a day other than the first day of the calendar quarter will be prorated based on the number of days remaining in the quarter. Deposits to your account or withdrawals from your account are treated as follows:

- *Accounts Custodied at Pershing or Schwab* - Advisory fees for additional assets of \$10,000 or more deposited into the account or partial withdrawals of \$10,000 or more from the account will be prorated and you will be issued a credit or charged the prorated fee on deposits.
- *Accounts Custodied at Fidelity* - No advisory fee adjustments are made for deposits (i.e. no pro-rated fees charged) or partial withdrawals (i.e. no pro-rated fee credit).

If your account is custodied at Pershing, distribution fees (often referred to as 12b-1 fees) that are paid to Osaic Wealth and passed on to the Advisor will be credited back to your account.

Generally, fees are negotiable. Your fee percentage will be determined by your Advisor and will

depend on several factors including the type of service selected, the size and complexity of the account, and the type of securities in which your monies are invested. For Accounts custodied at Pershing, Schwab, and Fidelity, your Advisor will offer one or more of the Billing Methods listed below. To illustrate how these Billing Methods operate, we are including examples of the quarterly fee calculation on an account with a value of \$600,000. Note that your fee percentage might differ from the examples provided.

1. With a **FLAT FEE** percentage, total assets in the Client Relationship are billed at one percentage rate. For example, if you were charged a 1% annualized fee, this annualized rate would be applied to your balance each quarter regardless of the account's value. If the value of your account was \$600,000, the quarterly advisory fee would be \$1500.
2. With a **LINEAR FEE** schedule, the total assets in the Client Relationship determine the fee percentage, which decreases at intervals as the account value grows. The resulting fee percentage is then applied to the ENTIRE balance of assets. A linear schedule has breakpoints. Example:

Account Value	Annualized Rate Example
Up to \$499,999	1.00%
\$500,000 and greater	0.75%

In the above example, once the account's value is \$500,000 or more, the 0.75% annualized percentage rate will apply to the entire balance. If the value of your account was \$600,000, the quarterly advisory fee would be \$1125.

3. With a **TIERED FEE** schedule, the asset values in the Client Relationship fall within separate tiers and the corresponding decreasing percentage is applied to each tier. The fees for each tier are then combined to arrive at the amount billed. A tiered schedule also has breakpoints, but fees are charged by tier. Example:

Account Value	Annualized Rate Example
Up to \$499,999	1.00%
\$500,000 to \$999,999	0.75%
\$1,000,000 and greater	0.50%

In the above example, the first \$500,000 will continue to be charged at a 1% annualized rate even when your account's value exceeds \$500,000. If the value of your account was \$600,000, the quarterly advisory fee would be \$1437.50 (which is \$1250 on the first \$500,000 and \$187.50 on the next \$100,000).

**HOW FEES ARE COLLECTED.** Advisory fees are collected directly from your managed account. The custodian of your account will provide you with an account statement reflecting the deduction of the advisory fees. If your account does not contain sufficient funds to pay the advisory fees due, we have limited authority to sell or redeem securities in sufficient amounts to cover those fees. You may reimburse your account for advisory fees paid unless you have an ERISA or IRA account.

## RECOMMENDATION SERVICES

The advisory fee is negotiable and set by your Advisor. The Advisor will charge either a fixed fee

or a fee based on the asset value of the portfolio for which the Advisor is giving advice. The negotiated fee will depend on the scope and complexity of your portfolio (the types of securities held, the amount held, and your investment objectives). If the fee is based on your portfolio's value, generally, the annualized fee will range between 0.50 and 1.50 percent. Unless otherwise agreed, fees are billed quarterly and in advance. The first quarterly fee will be prorated depending on the number of days remaining in the calendar quarter. If the account custodian authorizes the deduction of advisory fees, then the fees will be deducted directly from your account. Otherwise, we will send a quarterly fee invoice. Fees are due and payable within 30 days of the date of the invoice. The agreement for services may be terminated by you or us upon written notice to the other party.

## **WRAP ACCOUNTS**

In a Wrap Program, the client pays a "wrap fee" that covers the advisory services offered by us, the execution of transactions by the Wrap Broker, and the custodial services. Fees are charged quarterly and in advance and are based on the value of your account as of the last business day of the preceding calendar quarter. Fees are debited directly from your account by the custodian. If you terminate your participation in the Wrap Program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter following the termination date. For complete details, including fee schedule guidelines and a list of transaction charges, please see the Wrap Fee Program Brochure.

### **Vision2020 Wealth Management - Advisor Managed Portfolios Program**

The fee schedule for our Advisor Managed Portfolios follows:

<b>Account Value</b>	<b>Maximum Annualized Rate</b>
\$100,000 to \$249,999	2.00%
\$250,000 to \$499,999	1.875%
\$500,000 to \$749,999	1.650%
\$750,000 to \$1,249,999	1.425%
\$1,250,000 to \$1,999,999	1.200%
\$2,000,000 to \$4,999,999	1.000%
\$5,000,000 to \$24,999,999	0.975%
Over \$25,000,000	0.775%

### **Vision2020 Wealth Management - Unified Managed Account Program**

Each of our Advisors negotiates his or her own account fee schedule. Your annualized fee rate is negotiated with your Advisor. Our portion of the fee (i.e. FFN's advisory fee) will not exceed 1.75%. The client agreement will disclose the annualized rate for participation in the program.

Mutual funds and ETFs purchased by the account have their own internal fees ("internal fund expenses"), which are separate and distinct from the Wrap Program fees (for more information, read the applicable fund prospectus). Since fees billed to your account are comprised of both program fees and advisor fees, Advisors have an incentive to select third party money managers with lower program fees in order to manage the overall fee charged to you. You should consider the overall fees and expenses, including internal fund expenses, when selecting managers and portfolio investments. For complete fee details, including

account fee schedule guidelines, please see the The Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the UMA.

The Program fee and the Advisory Fee together will not exceed 2.75 percent.

### **THIRD PARTY MANAGERS**

#### **Turn-Key Asset Management Program (Orion)**

The management fees charged by Orion are in addition to FFN's advisory fees. FFN's fees are set forth in the table below. Review Orion's Brochure for information about its fees. Fees are charged monthly and in arrears and are based upon the market value of the managed account's assets as of the last business day of the month. Orion deducts its fee and FFN's fee from your account and remits to FFN its portion of the collected fee.

<b>Account Value</b>	<b>Annualized Rate</b>
\$0 to \$249,999	1.00% - 2.00%
Next \$250,000 to \$499,999	0.875% - 1.90%
Next \$500,000 to \$999,999	0.750% - 1.75%
Next \$1,000,000 to \$1,999,999	0.500% - 1.50%
Next \$2,000,000 +	0.250% - 1.25%

#### **Third Party Manager Platforms**

The client will be charged an advisory fee in accordance with the third-party manager's fee schedule. We will be paid through one of the following arrangements as agreed between the third-party manager and us.

1. **Solicitor Arrangement.** You will be charged an advisory fee that is determined by the third-party manager. The third-party manager remits a portion of that fee (not to exceed an annualized 1.50%) to us.
2. **Sub-Adviser Arrangement.** We charge you an annualized advisory fee not to exceed 1.50% (the rate is negotiated with your Advisor). You are also charged an advisory fee by the third-party manager in accordance with the third-party manager's fee schedule. Generally, the total fee is collected by the third-party manager and the third-party manager remits our portion to us. Fees for third party programs we recommend can be higher than if the client obtained the services directly from the third-party manager. Clients should read the third-party manager's Form ADV Part 2A for additional information about its managed programs. In addition to the fees paid to FFN and to the third-party manager, the client pays fees for maintaining the account and for the execution of securities transactions.

### **RETIREMENT PLAN CONSULTING SERVICES**

Fees are negotiable. An up-front fixed fee can be charged for initial review and consulting. The up-front fee will not exceed \$25,000. Fifty percent of the up-front fee will be due upon execution of the Retirement Plan Consulting Agreement. The balance will be due upon presentation of the analysis. Client will not pay more than \$1,200 and six or more months in advance of the service. Thereafter or alternatively, the client will be charged a quarterly fee, which will either be a fixed amount not to exceed \$6,250 or an amount based on the value of Plan assets as of the last

business day of the just completed calendar quarter. The quarterly fee will be charged either in advance or arrears of each calendar quarter as agreed to by the Advisor and client/Plan. Out-of-pocket expenses incurred by FFN will be billed to the client/Plan at cost.

If based on the value of Plan assets, the initial fee will be based on the value of the account when all expected initial funds and assets have been received into the account. Advisory fees for accounts opened on a day other than the first day of the calendar quarter or closed on a day other than the last business day of the calendar quarter will be prorated based on the number of days remaining in the quarter.

Unless otherwise agreed, the advisory fees payable upon initial implementation of the account and for all subsequent periods will be collected directly from the account. You will be provided with an account statement reflecting the deduction of the advisory fee directly from the account custodian. If your account does not contain sufficient funds to pay advisory fees, FFN has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees.

<b>Value of Plan Assets</b>	<b>Annualized Fee</b>
Up to \$2,500,000	1.25%
\$2,500,000 to \$5,000,000	1.00%
\$5,000,000 to \$10,000,000	0.75%
\$10,000,000 to \$20,000,000	0.50%
\$20,000,000 to \$30,000,000	0.35%
\$30,000,000 to \$50,000,000	0.20%
Over \$50,000,000	0.10%

Changes to the fees will be communicated to the Plan in writing and will become effective in thirty (30) days unless the Plan objects.

**RECOMMENDATIONS (PENSION, PROFIT SHARING, 401(k) & 403(b) PLANS) & FINANCIAL PLANNING SERVICES**

Your Advisor will offer one or more of the following fee methods: hourly, fixed, or a fee based on the account's value. Generally, fees are charged hourly when the scope of recommendation services is limited, fixed fees are charged for financial planning services, and annual fees are charged for ongoing recommendation services where you have ongoing access to your Advisor. Typically, annual consulting fees are charged for ongoing asset allocation services for pension, profit sharing, 401(k) and 403(b) plans.

Fees are negotiable and based on the nature and complexity of your financial situation and your account, the anticipated research and staff resources required and the Advisor's level of experience and training. Each Advisor determines the method arrangement and amount of fees to be charged. You might be able to obtain similar services from another FFN Advisor for a lower cost. For fixed and hourly arrangements, 50% of the quoted or estimated fee will be due upon signing the Advisory Agreement with the balance (based on actual hours for hourly fees) due upon presentation of the plan, analysis and/or recommendations. Services are deemed completed upon presentation of the plan or analysis. Note that other fees from third parties may apply (such as custodial fees, administrative fees, and commissions) and are in addition to FFN's fees. The client is responsible for the payment of all such fees.

Fees will not exceed the ranges set forth below.

1. **Fixed Fee** - \$250 to \$5,000

The fixed fee will also be based on the number of areas for which analysis and planning services will be provided and the anticipated number of meetings.

2. **Hourly Fee** - \$50 to \$500 per hour

The hourly fee will also be based on the scope and number of reports requested by the client, the anticipated number of meetings, and special requests such as after business hour meetings. An estimate of the total hours anticipated will be determined at the start of the advisory relationship. Should additional time be needed as a result of a change in direction of the service or the situation being more complex than originally believed, you will be presented with a status of the project and an amendment to the anticipated time and cost.

3. **Annual Fee** (for Consulting, Financial Planning, and Asset Allocation Recommendations for Pension, Profit Sharing, 401(k) and 403(b) Plans) - \$100.00 to \$20,000.00

Your Advisor will provide asset allocation recommendations, updated plans annually, updated retirement projections annually, and year-end tax advice. The client has ongoing access to the Advisor. Fees will also be based on the particular services provided, complexity of the situation and the portfolio, number of accounts being monitored, and number of meetings. Furthermore, the experience of the Advisor is a factor. The annual fee will be stated and agreed upon in advance. Fees for an annual financial planning service agreement will be payable quarterly in advance (i.e. one-quarter of the fee will be due each calendar quarter).

4. **Fee Based on Portfolio Value.** Fees are charged quarterly and in advance and are based upon the value of the portfolio on the last business day of the just completed calendar quarter. The initial advisory fee will be based on the value of the account upon establishment of the account. Advisory fees for Accounts opened on a day other than the first day of the calendar quarter or closed on a day other than the last business day of the calendar quarter will be prorated based on the number of days remaining in the quarter.

The advisory fees payable upon initial implementation of the account and for all subsequent periods will be collected directly from the account provided the client has given FFN written authorization. Clients will be provided with an account statement reflecting the deduction of the advisory fee. If the Account does not contain sufficient funds to pay advisory fees, FFN has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. Client may reimburse the account for advisory fees paid to FFN, except for ERISA and IRA accounts.

Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Advisory fees are in accordance with the following fee schedule. The fee will be determined and customized for each client depending on several factors including but not limited to the complexity of the client, number of meetings, size of the portfolio, number of reviews, travel, reporting requirements, planning services, type of managed portfolio (mutual funds, bonds, general securities, etc.), and experience of the Advisor.

<b>Account Size</b>	<b>Annualized Range</b>
\$0 to \$249,999	1.00% - 2.00%
Next \$250,000 to \$499,999	0.875% - 1.90%
Next \$500,000 to \$999,999	0.750% - 1.75%
Next \$1,000,000 to \$1,999,999	0.500% - 1.50%
Next \$2,000,000 +	0.250% - 1.25%

LOWER FEE DISCLOSURE. Lower fees for comparable management or other services may be available from other sources.

## **B. Termination of Service**

Generally, you may terminate your agreement with us, without penalty, upon written notice to us within five (5) business days after entering into the agreement. You will remain responsible, however, for any fees or charges assessed by third parties (such as commissions for any securities transactions in your account as well as account maintenance and custodial fees). Thereafter, the agreement may be terminated by you or by us at any time upon written notice to the other. If you terminate the agreement during a calendar quarter for an account where we charge fees in advance, we will issue a pro-rata refund of the pre-paid advisory fees for the number of days left in the calendar quarter. In the event advisory fees are charged in arrears, we will deliver a final billing statement to you for payment of fees for unbilled work performed prior to termination and, as applicable, for reimbursement of expenses incurred through the effective date of termination. We provide 30 days from the date of the bill for payment to be made.

## **C. Other Fees**

In addition to the advisory or consulting fees charged by us, other fees typically apply. Brokerage commissions, transaction fees, sales loads, sales charges, management fees, administrative fees, account maintenance fees, transfer taxes, wire transfer fees, electronic fund fees, and other fees may be charged by the broker or dealer executing the securities transactions in the advisory accounts, by the custodian, and/or by the distributor, issuer or fund issuing the securities purchased and sold within the advisory accounts. You are solely responsible for paying all such charges with the exception of accounts enrolled in a Wrap Program, in which case, typically, transaction and custodial fees are covered by the advisory fee. In addition, mutual funds and certain exchange-traded funds (“ETFs”) pay management fees to their investment advisers, which reduce their respective assets. To the extent that your portfolio has investments in these mutual funds or ETFs, you pay two levels of advisory fees for the management of the assets: one directly to us, and the other indirectly to the managers of those mutual funds and ETFs. Neither FFN nor any of its Advisors receives any portion of these other fees with the exception that if your account is held at Pershing and if your Advisor is also registered with Osaic Wealth, he/she receives a portion of the transaction charges collected by Osaic Wealth. Transaction charges assessed by Schwab are not shared with Osaic Wealth or your Advisor.

## **D. Broker-Dealer Charges**

Item 12 further describes the factors we consider in recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions). It is important to understand that some of our Advisors are also registered as representatives of

Osaic Wealth. Recommending Osaic Wealth as a securities broker-dealer raises conflicts of interest you should thoughtfully weigh. Please carefully review the disclosures of fees and conflicts found in Item 12.

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

We do not charge performance-based fees (fees that are based on a share of the capital gains or capital appreciation of the client's account) or engage in side-by-side management.

## **Item 7 Types of Clients**

Our services are geared toward:

- Individuals, both high net worth and other than high net worth
- Pension and profit sharing plans and other qualified plans
- Trusts, estates, and charitable organizations
- Corporations and other business entities

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

### **A. Methods of Analysis**

Our Advisors utilize various strategies and methods for investment research including:

- Economic analysis. Economic analysis generally involves studying various factors in an economy, including macro-economic factors (such as interest rates, inflation, and growth) and micro-economic factors (such as market share, supply, and consumer demands) specific to a particular industry, sector, or company. Market analysis involves using trailing indicators that might not competently keep pace with the fluid nature of the economy that can be significantly affected by novel, uncommon, and unanticipated occurrences, including political factors, trade disputes, and natural disasters.
- Fundamental analysis. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Fundamental analysis has a number of risks: the analysis may be compromised by incorrect or stale data; the analysis method typically does not consider the influence of random events and acts of God; and, the market may fail to reach expectations of perceived value.
- Technical market analysis and technical trend following. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns. These methods can be highly subjective, and analysts can make contradictory predictions from the same data. Additionally, while technical analysts believe that the relational patterns they detect will be repeated under similar future market conditions, market conditions consist of many factors and any change to one factor can cause significant changes to the security's price. Further, technical analysts assume that all market factors are known to and considered by all market participants; although, in fact, we know that is not always true.

We do not represent, warrant or imply that the services or methods of analysis used by your Advisor can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no



indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by your Advisor will provide a better return than other investment strategies.

## **B. Investment Strategies**

The Advisor's strategy will be to seek long-term portfolio growth. Your Advisor will not attempt to manage short-term market fluctuations with active trading (market timing, etc.). However, your Advisor can reallocate the portfolio as necessitated by large-scale macro-economic changes in the securities markets.

Mutual funds are selected on the basis of any or all of the following criteria: performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives, management style and philosophy; and the fund's management fee structure. Each client's individual needs and circumstances will determine the initial portfolio weighting.

## **C. Risks**

### **1. General Risks**

Investing in securities involves risk of loss that you should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will be either suitable or profitable for your investment portfolio. Past performance is not indicative of future results.

Prior to entering into an investment advisory agreement with us, you should carefully consider: (i) committing to management only those assets that you believe will not be needed for current purposes and that can be invested on a long-term basis; (ii) that volatility from investing in the market can occur; and (iii) that, over time, the value of your portfolio may fluctuate and may, at any time, be worth more or less than the amount originally invested.

### **2. Special Risks**

While investing in any security involves risk, investing in some types of securities carries special risks. FFN Advisors primarily use open-ended mutual funds purchased at net asset value (NAV), no-load and load-waived mutual funds, exchange traded funds (ETFs), and variable products. However, managed accounts are not exclusively limited to the aforementioned securities and can include stocks and bonds. The selection of securities varies based on your Advisor and what is deemed appropriate for your managed portfolio. A summary of the special risks associated with the types of securities we primarily recommend is provided below. Please note that the following summaries are general in nature and do not include an explanation of all risks associated with a given security type.

- a. **Mutual Funds**. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and the fund straying from its objective. Open-end mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. The risks with ETFs, stocks, bonds or other exchange traded securities is the effect of market fluctuation and the need to have a market to buy or sell the securities. Variable products have the risk of trading restrictions, changes to the options of subaccounts, internal costs and expenses and the illiquidity of the product.

Registered investment company securities such as mutual funds and variable products offer the securities in various share classes. Different share classes are priced differently and have varying levels of internal costs; and share classes other than institutional share classes will involve higher internal costs that over time will cost you more. Institutional share classes often have higher trading costs, however, the internal costs of the fund are lower. Share classes other than institutional shares will become more expensive when held in the account for longer periods. You should consider the amount being invested and the how long you anticipate holding the shares, to make a decision as to the share class most suitable for you. Please read the disclosures under Item 10 below for important information about the advice and recommendations offered by our Advisors. Additional investor information is available through FINRA's website at [www.finra.org](http://www.finra.org) as well as the SEC's website at [www.sec.gov](http://www.sec.gov), including an Investor Alert about mutual fund share classes.

- b. **Exchange-traded Funds ("ETFs")**. An ETF is a type of investment company (usually, an open-end fund or unit investment trust) containing a basket of stocks. Typically, the objective of an ETF is to achieve returns similar to a particular market index, including sector indexes. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because (i) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark, (ii) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable, and (iii) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

- c. **Variable Annuity Contracts**. A variable annuity is not a short-term investment vehicle. Surrender charges, which would reduce the value of your contract, may apply. Contract fees and expenses may be significant. These may include deductions from purchase payments, surrender charges, and ongoing fees and expenses associated with owning a contract. You can lose money in a variable annuity, including potential loss of your original investment. The value of your investment and any returns will depend on the performance of the underlying investments. Each underlying fund may have its own unique risks. Optional features may carry investment restrictions. Or the benefits of the optional features may be significantly reduced if withdrawals over a certain amount are made or if withdrawals are taken before you reach a certain age. The financial strength of the insurance company that issues the contract backs all guarantees, including the death benefit, living benefits, and your annuity payments. If the insurance company experiences financial distress, it may not be able to meet its obligations to you.
- d. **Interval Funds**. Interval funds are a non-traditional type of closed-end fund that is not listed on an exchange and that periodically offers to repurchase a limited percentage of outstanding shares, as defined in its prospectus, from its shareholders. Interval funds can expose investors to liquidity risk. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods

outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund's shares. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be no assurance that an interval fund investment will prove profitable or successful.

- d. **Common Stocks**. The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the issuer's ability to create shareholder value (e.g., increase the value of the company's stock price).
- e. **Bonds**. Bonds are subject to credit risk, which is the risk of default associated with the issuer. Bonds are also subject to interest rate risk or the risk that changes in interest rates during the term of the bond might affect the market value of the bond prior to the call or maturity date. Investors should also consider inflation risk, which is the risk that the rate of the yield to call or maturity will not provide a positive return over the rate of inflation for the period of the investment.
- f. **Real Estate Investment Trusts ("REITs")**. A REIT is a corporation, trust or association that owns and manages a portfolio of real estate properties and/or mortgages, allowing shareholders to invest in larger-scale, income producing real estate. The primary risks associated with REITs are declining property values, overbuilding, extending vacancies, increases in competition, property taxes and operating expenses, changes in zoning laws, inaccurate valuations of the underlying property(ies), early withdrawal penalties, rising interest rates, illiquidity (publicly traded REITs are more liquid than non-traded REITs), uninsured damage, limitations on and variations in rents, and under-diversification. REITs are subject to heavy cash flow dependency, default by borrowers, and self-liquidation.

### 3. **Other Risks**

- a. **Third-party Programs**. The risks with utilizing third party managed programs include:
  - Market and economic risk.
  - The risk the third-party manager is not managing to the objective or managing based on the stated strategy.
  - The risk the securities managed by the third-party manager will decline or fluctuate impacting the overall performance of the portfolio.
  - The risk that the performance of the portfolio will be diminished by the fees of the

third-party manager and expenses associated with the securities.

- b. **Cybersecurity.** Information security risks for financial institutions are increasing, in part because of the use of the internet to conduct financial transactions and the increased sophistication and activities of organized crime, hackers and other external parties, including foreign state actors. Our systems and those of other financial institutions can be the target of cyber-attacks, malicious code, computer viruses, ransomware, and denial of service attacks that could result in unauthorized access, misuse, loss or destruction of data (including confidential client information) and/or the unavailability of service. We seek to reduce these risks through controls and procedures believed to be reasonably designed to address these risks. Despite our efforts, we cannot anticipate all threats and our preventive measures might not be effective against all attempted security breaches. System interruptions, errors or downtime can also result from a variety of other causes, including technological failure, linkages with third-party systems, and power failures. It could take an extended period of time to restore full functionality to our technology and systems in the event of a breach or other business disruption, which could affect our ability to manage client assets and deliver advisory services. We will respond to breaches and other disruptions with appropriate resources in an effort to contain and remediate the cause of the breach or disruption and restore operations.

## **Item 9 Disciplinary Information**

We are required to disclose all material facts regarding certain legal or disciplinary events related to us or our management personnel. We have no such legal or disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

- A. FFN is neither registered nor has an application pending to register as a securities broker-dealer. However, certain of our Advisors are dually registered as representatives of Osaic Wealth for purposes of transacting securities business on a commission basis. FFN is not affiliated with Osaic Wealth. Osaic Wealth's principal business is as a full-service general securities broker-dealer registered with the SEC, FINRA, and various other regulatory bodies. Additionally, Osaic Wealth is a registered investment adviser and provides access to Third Party Investment Advisory Services. In that regard, certain FFN Advisors are registered with Osaic Wealth's Investment Adviser for the provision of Third Party Advisory Services and products.

Clients are under no obligation to purchase or sell securities through Advisors. However, if they choose to implement the plan, commissions will be earned in addition to any fees paid for advisory services. Commissions are higher or lower at Osaic Wealth than at other broker-dealers. Advisors have a conflict of interest in having clients purchase securities and/or insurance related products through Osaic Wealth in that the higher their production with Osaic Wealth the greater opportunity for obtaining a higher pay-out on commissions earned.

Although Osaic Wealth maintains supervisory responsibilities over FFN's Advisors, Osaic Wealth does not control FFN with respect to the conduct of its Investment Advisory activities or the management of its business. Notwithstanding, because Advisors are dually registered with Osaic Wealth, Osaic Wealth has certain supervisory duties with respect to their activities. To that end, Osaic Wealth will require certain account opening documents to be completed by you and your

Advisor. Once all requisite documents have been completed, your Advisor will submit the documents to Osaic Wealth for its review and approval in its capacity as the broker-dealer of record. In certain instances, Osaic Wealth will collect, as paying agent for FFN, the investment advisory fee due FFN from the account custodian. Osaic Wealth will retain a portion as an administrative charge to FFN (not you) for functions Osaic Wealth carries out.

- B. The Firm is neither registered nor has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.
- C. FFN is a licensed insurance agency. Advisors are associated with various insurance companies as licensed insurance agents. Advisors can recommend insurance products offered by an insurance company represented by FFN. If you purchase these products through Advisors of FFN, normal commissions will be received. Commissions from insurance products are separate and distinct from advisory fees. Thus, a conflict of interest exists between Advisors and you. While the insurance business is not a significant business, because of the conflict of interest in having a client purchase insurance products through their Advisor, this disclosure is provided to clients. FFN attempts to mitigate the conflicts of interest associated with the receipt of commissions by providing you with these disclosures. We also have supervisory procedures to review for adherence to the best interest obligation.
- D. Some of our Advisors also offer accounting, tax preparation services, or estate planning services. The fees you pay to them for accounting, tax preparation, or estate planning services are in addition to the fees you will pay for advisory services. You are not obligated to use accounting, tax preparation, or estate planning services offered by our Advisors.
- E. As discussed above, FFN has entered into arrangements with various third-party managers to offer you management options. Should you select one or more of the programs offered by third party managers, FFN and your Advisor will receive a portion of the compensation you pay for participation in the programs. You are advised the programs are generally more expensive than other asset management options. However, for the cost, you receive the services of an investment professional. Thus, you have a team of professionals providing you services. FFN and your Advisor's receipt of compensation as a result of your participation in the program creates a conflict of interest. There are other third party manager programs that are as suitable or more suitable for a lower cost. However, FFN and your Advisor do not receive a portion of such compensation.

## **Item 11 Code of Ethics**

FFN has adopted a Code of Ethics that sets forth the governing ethical standards and principles of the Firm. It also describes our policies regarding the following: the protection of confidential information, including the client's nonpublic personal information; the review of the personal securities accounts of certain personnel of the Firm for evidence of manipulative trading, trading ahead of clients, and insider trading; trading restrictions or pre-approval requirements; training of personnel; and, recordkeeping. All supervised persons at FFN must acknowledge the terms of the Code of Ethics upon hire and as amended.

Subject to satisfying our policies and all applicable laws, we (including our Advisors and other of our associated persons) may buy or sell securities identical to those securities recommended to you or bought or sold in your account. The Code of Ethics is designed to permit our Advisors and certain other associated persons to invest for their own accounts while assuring that their personal

transaction activity does not interfere with making decisions in the best interest of advisory clients or implementing those decisions. We maintain a list of all securities holdings of our Advisors as well as those associated persons who (a) are involved in making securities recommendations, (b) have access to securities recommendations that are not public, or (c) have access to nonpublic information regarding client securities transactions and we supervise the trading activity in their personal and related accounts. We will not put our interests before your interests. We will not intentionally trade in such a way to obtain a better price for us than for you. We do not permit our Advisors or other associated persons to trade based on non-public information or share or tip such information.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, all persons participating in the aggregated order will receive an average share price with all other transaction costs shared on a *pro rata* basis. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Partially filled orders will be allocated on a *pro rata* basis. Any exceptions must be pre-approved by the Chief Compliance Officer.

Our clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting the Chief Compliance Officer at the address or telephone number specified on the cover page and requesting a copy.

## **Item 12 Brokerage Practices**

We do not maintain custody of your assets that we manage (although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 Custody, below)). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Generally, we recommend our clients use Schwab or Pershing. Schwab and Pershing each are a FINRA-registered broker-dealer and a qualified custodian. Both firms will hold your assets in a brokerage account and buy and sell securities when we instruct them to do so. While we recommend that you use Schwab or Pershing, you will ultimately decide whether or not to. If you do open your account with either firm, you will enter into an account agreement directly with them. We do not provide or open the account for you. Even though your account is maintained at a qualified custodian, we can still use other brokers to execute trades for your account as described below.

If your Advisor is also registered as a representative of Osaic Wealth, he/she may not conduct securities transactions away from Osaic Wealth unless Osaic Wealth authorizes the Advisor to do so. Certain Advisors have obtained approval to transact securities business for their clients through Schwab as well as Pershing, and for certain corporate qualified accounts, through National Fidelity and National Financial Services, which is a subsidiary of Fidelity.

We are independently owned and operated and not affiliated with Osaic Wealth, Pershing, Schwab, Fidelity or National Financial Services.

Not all investment advisers require clients to maintain accounts at a specific broker-dealer. You may maintain accounts at another broker-dealer. However, the services provided by FFN will be limited to recommendation services alone, and will not include implementation.

## **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous to you when compared to other available providers and their services. We consider a wide range of factors, including (among others) the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchanged traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions.
- quality of services
- competitiveness of the price of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them.
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below.

Periodically, we review alternative broker-dealers and custodians to ensure that the broker-dealers we recommend are meeting our duty to provide best execution for client accounts. To conduct our reviews, we evaluate criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution will be reviewed through trade journal evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a broker-dealer, but rather, all criteria taken together will be used in the evaluation.

Additionally, product sponsors such as variable and investment companies and limited partnerships often provide support to Advisors. Such support includes research, educational information, and monetary support for due diligence trips and client events.

There is an incentive for FFN and its Advisors to recommend one broker-dealer over another based on the products and services that will be received rather than your best interest.

## **Aggregated Trades**

Based on your FFN Advisor's discretion, the Advisor can aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. FFN conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random basis. Under certain circumstances, the amount of securities may be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

## **Products and Services from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients access to

institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab 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. Here is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's 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 Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that Do Not Directly Benefit You. Schwab 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 Schwab's 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 Schwab. In addition to investment research, Schwab 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. Schwab 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.

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

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab is also compensated with interest earned on the uninvested cash in your account in Schwab's Cash Features Program. Schwab's commission rates, applicable to our client accounts, were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in



order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

### **Products and Services from Fidelity**

FFN has entered into a relationship with National Financial Services, LLC and Fidelity Brokerage Services, LLC (together referred to as "Fidelity") to participate in the Fidelity Institutional Wealth Services ("FIWS") platform. Fidelity provides custody, execution, and clearance and settlement services for stocks, bonds, Fidelity mutual funds, non-Fidelity mutual funds, and other securities held at Fidelity for clients who select Fidelity as custodian of their accounts. You are under no obligation to utilize the services of Fidelity.

### **Products and Services from Osaic Wealth**

Osaic Wealth has a wide range of approved securities products for which it performs due diligence. FFN's Advisors who are registered with Osaic Wealth can sell only those products approved by Osaic Wealth when implementing securities transactions through Osaic Wealth. Commissions charged for these products can be higher or lower than commissions clients are able to obtain if transactions were implemented through another broker-dealer. Osaic Wealth also provides Advisors and FFN with back-office operational, technology, and other administrative support. Other services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Such services are intended to help Advisors and us manage and further develop their business enterprise.

Osaic Wealth and its clearing broker-dealer, Pershing, also make available to us other products and services that benefit us but do not directly benefit clients' accounts. Some of these other products and services assist us with managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements), trade execution facilitation; research, pricing information and other market data, advisory fee collection facilitation, back-office assistance, recordkeeping, and client reporting. Many of these services generally are used to service all or a substantial number of our client accounts, including accounts not held through Osaic Wealth.

Advisors as Registered Representatives receive trail commissions (i.e. 12b-1 fees) when they direct securities transactions through Osaic Wealth. Load and no-load mutual funds pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees are initially paid to Osaic Wealth and a portion passed to the Advisor of record. The receipt of such fees could represent an incentive for your Advisor to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a conflict of interest. However, such fees will be credited back to fee-based accounts (qualified and non-qualified).

### **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 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.

## Item 13 Review of Accounts

### Managed Account Services

Reviews are performed at least annually or more frequently as agreed between you and your Advisor. You may also set thresholds for triggering events to cause a review to take place. Your Advisor will monitor material shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. You should notify your Advisor promptly of any changes to your financial goals, objectives or financial situation as such changes often necessitate a portfolio review. You will receive securities transaction confirmations and quarterly statements directly from the custodian. Although we generally don't prepare account statements, your Advisor may agree to do so upon your request. If you do receive statements prepared by us, we urge you to compare those statements with the statements issued by the custodian. Should there be any discrepancy, the custodian's report will prevail.

### Turn-Key Asset Management Program (Orion)

The client's account and model selection are reviewed by the Advisor at least annually.

### Financial Planning Services

You will not receive regular reviews or reports unless you specifically request reviews. We recommend you have at least an annual review and update of any plan, analysis, or recommendation. The time and frequency of the reviews are solely up to you. Additionally, you will be charged review fees based on the fee schedule disclosed under the program. Other than the initial plan or analysis, there will be no other reports issued.

## Item 14 Client Referrals and Other Compensation

### Osaic Wealth

#### Top Producer Opportunities

Osaic Wealth offers additional educational, training, marketing and home office support services for those Advisors who meet overall revenue production goals. While these goals are not specific to any type of product or service offered, they provide a financial incentive for Advisors to recommend investment products and advisory services in general.

#### Incentives From Osaic

**The Net New Asset Program** - Osaic Wealth put in place a Net New Asset Program whereby Osaic will make additional annual payments to certain Advisors of approximately 35 basis points (0.35%) on average on all new assets added to the Osaic customer accounts custodied with Pershing. The Net New Asset Program provides an incentive for your Advisors to recommend Osaic Wealth for your accounts because the advisor may be compensated more than if you used a different broker/custodian. The costs to a client to maintain accounts through an Osaic Wealth approved custodian can be higher or lower than other broker-dealers. To mitigate this conflict of interest, FFN is providing you with this disclosure.

**The Referral Awards Program** - Subject to certain qualifications and restrictions, Osaic will make payments to affiliated Advisors for referrals of unaffiliated Advisors. For each qualified referred Advisor

who affiliates with Osaic, the referring Advisor will receive up to 3% of the referred Advisor's trailing 12-month production and up to 3% of the referred Advisor's first 12 months of productions. Osaic is responsible for these payments and the payments to the Advisor are not a portion of the fees you pay. Your Advisor's status as a referring Advisor is not a conflict to you because if referring, the referred Advisor's production is unrelated to your account. Your Advisor's status as a referred Advisor is not a conflict to you, because your Advisor is not compensated specifically for being part of the Referral Rewards Program.

**The Equity Ownership Plan** – Certain Advisors who are accredited investors are offered the opportunity to invest in AG Artemis Holdings, LP, the parent entity of Osaic Wealth, Inc.

Some Advisors have an arrangement with Osaic to receive account credits when opening accounts with Pershing covering part or all of the ACAT and/or closing account fees incurred when transferring accounts from their previous firm to Osaic. This arrangement is for a limited period of time and capped at a predetermined budget amount. This creates a conflict of interest because your Advisor will have an incentive to encourage you to open account(s) at Osaic Wealth.

Osaic Wealth provides loans to certain Advisors geared toward establishing, maintaining, and expanding our relationship with Osaic Wealth. The repayments of such loans are typically dependent on the financial professional retaining affiliation with Osaic through the end of the loan period. These loans create a conflict of interest for the Advisor to retain affiliation with Osaic in order to avoid repayment of the loan. Please review your Advisor's Brochure Supplement for additional information.

### **Charles Schwab**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 - Brokerage Practices). The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Some Advisors have an arrangement with Schwab to provide account credits when opening accounts with them covering part or all of the ACAT and/or closing account fees incurred when transferring accounts from their previous firm to Schwab. This arrangement is for a limited period of time and capped at a predetermined budget amount. This creates a conflict of interest because your Advisor will have an incentive to encourage you to open account(s) at Charles Schwab.

### **Focus Financial**

#### **Other Non-Cash Compensation**

In addition to reimbursement of training and educational meeting costs, FFN and its Advisors may receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, and Alternative Investment Products. Additionally, sales of mutual funds, variable insurance products and Alternative Investment Products qualify financial advisors for additional business support and for attendance at seminars, conferences, and entertainment events. Such conferences include the payment or reimbursement of travel, meals, and lodging expenses for attendees. Payment/reimbursement of

expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective platforms. We have an incentive to recommend certain programs that provide us with the above referenced opportunities over those that do not. This is a conflict of interest.

### **Networking Arrangements**

There is an option for FFN and its Advisors to offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. In such a case, the Firm will enter into networking agreements with financial institutions pursuant to which we share compensation, including a portion of the advisory fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

### **Loans & Rewards**

FFN has provided some of our Advisors with funding in the form of loans as an incentive to establish, maintain or expand our advisory relationships. Such loans are typically used to assist in the transition and expansion of the Advisor's practice. The repayment of such a loan is typically dependent on the Advisor retaining affiliation with us through the end of the loan period. These loans create a conflict of interest for your Advisor to retain affiliation with us in order to avoid repayment of the loan.

### **Advertising and Referral Programs**

Some Advisors use an advertising and referral program for investment professionals offered through SmartAsset Advisors, LLC program, (hereinafter, "SmartAsset") for client referrals within a specific geographic region. They pay a monthly fee for leads made available through the SmartAsset's website. The monthly fee is not contingent on the referral becoming a client. SmartAsset provides prospective clients with at least one but up to three potential investment professionals located in the individual's general geographic area. The prospective client determines whether to contact Focus Financial for the investment professionals listed on the website. SmartAsset's role is limited to facilitating an initial introduction between the prospective client and our firm. SmartAsset does not provide prospective clients with an assessment of the merits or shortcomings of any particular investment profession or their investment strategies. SmartAsset is a lead generation service and does not provide investment advice. You will not pay additional fees because of this referral arrangement.

## **Item 15 Custody**

Although we do not take physical custody of your funds or securities, we are deemed to have custody when you authorize the custodian (e.g., Schwab or Pershing) to directly debit your account for the payment of our advisory fees. Your funds and securities are held by the custodian. You will receive account statements from the custodian at least quarterly. Those account statements will indicate the amount of our advisory fees deducted from your account each billing period. You should carefully review account statements for accuracy.

We are deemed to have custody when you authorize financial planning payments to be directed from your Schwab account to FFN. Also, when you authorize a Qualified Charitable Distribution (QCD) to your designated charity and your instructions to mail the check to your advisor's office address to be forwarded to your designated charity.

We are also deemed to have custody when you authorize us to effect money movements from your

account to one or more third parties designated, in writing, by you without having to obtain your written consent for each separate, individual transaction. In all such cases, we require that the following criteria be met:

- You provide a written, signed instruction to the qualified custodian that includes the third party's name (which cannot be related to us), address (which cannot be our address), and account number (we will not have any authority to designate or change the identity of the third party, the address, or any other information about the third party);
- You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
- Your qualified custodian verifies your authorization and provides a transfer of funds notice to you promptly after each transfer;
- You have the ability to terminate or change the instruction; and
- Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16 Investment Discretion**

FFN offers management services on either a non-discretionary basis (where your Advisor does not have the authority to determine, without obtaining your specific consent, the securities to be bought or sold or the amount of securities to be bought or sold) or on a discretionary basis (where your Advisor will have the authority, without first consulting you, to buy and sell securities in your account). Not all FFN Advisors are authorized to manage client accounts on a discretionary basis. You and your Advisor determine and agree upon the authority your Advisor will have when managing your account.

You may terminate any discretionary authorization at any time by giving us written notice. Additionally, you are advised that:

- You may set trading restrictions or limitations;
- You may set parameters with respect to when the account should be rebalanced;
- We are not authorized to determine the broker-dealer to be used or the commission rates;
- Your Advisor must obtain your written consent to purchase a variable annuity; and
- Discretionary authorization will not extend to the withdrawal of your funds or securities, with the exception of payment of FFN's advisory fee.

## **Item 17 Voting Client Securities**

FFN and your Advisor do not vote your securities.

## **Item 18 Financial Information**

We are required to provide you with certain information about our financial condition. Following is the required disclosure information:

- We do not require prepayment of more than \$1200 in fees six months or more in advance.
- There are no financial conditions or commitments that are likely to impair our ability to meet any contractual or fiduciary commitment to our clients.
- We have not been the subject of a bankruptcy petition.