

ADV FORM PART 2A DISCLOSURE BROCHURE



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This ADV Form 2A (the "Brochure") provides information about the qualifications and business practices of Financial & Tax Architects, Inc. ("FTA") If you have any questions about the contents of this Brochure, please contact us at 314-858-1122. 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.

FTA is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an investment advisor provide you with information about which you determine to hire or retain an investment advisor.

Additional information about FTA (CRD #119169) is also available on the SEC's website at www.adviserinfo.sec.gov

January 2, 2019

Item 2: Material Changes

Annual Update

This Brochure is an Annual Updating Amendment.

Material Changes since the Last Update

Financial & Tax Architects, Inc. is registered with the United States Securities and Exchange Commission.

Full Brochure Available

This Firm Brochure being delivered is the complete Brochure for the Firm.

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Item 4: Advisory Business

Firm Description

Financial & Tax Architects, Inc. (“FTA”), is a fee-only, SEC-registered investment advisor. FTA was founded in 1998 and began offering advisory services in 1999. David Scott Brooks, FTA’s Managing Member owns 100% of FTA’s ownership shares. FTA is a Missouri corporation.

FTA’s conducts an initial evaluation of each client's financial situation that is provided to the client, often in the form of a net worth statement, risk analysis or similar document. FTA conducts periodic reviews that are also communicated to provide reminders of the specific courses of action a client needs to take. More frequent internal reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis. The fees charged by other professionals are separate and distinct from FTA’s fee. When a client engages a tax preparer or an estate planning attorney, those professionals bill the client for those services separately. FTA will disclose any conflicts of interest between it and any professional service provider.

Types of Advisory Services

ASSET MANAGEMENT

FTA manages the investment portfolios of its advisory clients. FTA offers ongoing, continuous portfolio management services by determining an individual clients’ investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program are based on those factors. The client grants FTA discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

Discretionary Asset Management

Discretionary clients sign a limited trading authorization or equivalent agreement granting FTA the authority to execute transactions in the clients’ account without seeking specific approval for each transaction. At the request of the client, specific holdings may be restricted from trading for tax purposes or other client specific reasons. In such instances, restricted assets are excluded from fee calculations.

FINANCIAL CONSULTING

FTA offers consulting services designed to assist clients with allocating their 401k plan assets. Consulting services will continue from year-to-year unless cancelled in writing by either party. A client may terminate the Consulting Agreement within five (5) days without obligation.

Consulting services include the following:

- An initial meeting taking of up to two hours.
- A follow-up meeting to deliver and discuss initial recommendations typically taking up to 90 minutes

- A written recommended allocation (paper or electronic) of 401k plan asset that is updated quarterly.
- A second follow up meeting approximately every 3 months to check on progress and adjust recommendations based on changes in the market or the client's financial situation.
- Ongoing phone or email access to answer client inquires.

FTA's consulting services also may include a review of the client's retirement plan accounts, including specific recommendations.

The implementation of any FTA recommendations is at the sole discretion of the client.

The scope of work and fee for consulting services is provided to the client, in writing, prior to FTA's engagement

SUB-ADVISORY SERVICES

FTA also acts as a sub-advisor to other independent registered investment advisors and their clients. Sub-Advisory Services allows a registered investment advisor access to FTA's proprietary investment portfolio strategies (the "Strategies") under the name Private Wealth Strategies ("FTAWA"). The independent investment advisor will work directly with the client to determine an appropriate allocation of assets for sub-advisory services and monitor the sub-advisory services of FTA. FTA is responsible for maintaining and managing the Strategies. A description of each Strategy is shown below.:

The Country Rotation Strategy: The Country Rotation Strategy is a Logical-Invest model investment strategy. The Strategy seeks to add geographic diversity through the rotation of a wide variety of individual country ETF's by blending the mix of risk adjusted forecasted growth in each country. This strategy offers significant non-US global exposure and allows for the harvesting of returns from those outperforming countries even in a sideways market. The strategy uses momentum and relative strength indicators to choose between countries. When risk is high, it invests in fixed income ETF's. The strategy pursues a rule-based investment process that allocates between Long Duration Bonds and the four top ranked countries or regions to try to achieve an optimal risk/return profile.

The Global Sector Strategy: The Global Sector Strategy is a Logical-Invest model investment strategy. The Strategy seeks the optimal allocation between a variety of global equity sectors and the long duration U.S. Treasury market. Global equity sectors have historically presented a well-defined, stable, and long-lasting period along the broad cyclical economic development of global markets, which allows the Strategy to see investment returns that outperform various market sectors even as the US equity market is under pressure. Simultaneously, the Strategy benefits from the long-term inverse correlation between equity markets and long duration bonds while capturing value from the money flows into safe havens such as US. Treasuries during crisis times.

The Sleep Well Bond Strategy: The Sleep Well Bond Strategy is a Logical-Invest bond rotation investment strategy. The Strategy employs an algorithmic allocation which seeks to offer a risk profile comparable to the broad-based U.S. bond market while also achieving superior returns to its risk profile. The Strategy rule-based investment strategy is designed to identify the optimal allocation among long-term US Treasuries, U.S. High-Yield Corporate Bonds, Emerging Market Bonds and U.S. Convertible Bonds. Cross-correlation and volatility principals of the asset classes is used to reduce the overall volatility of the Strategy. The Strategy is an all-weather strategy designed to limit risk during inevitable

market downturns.

Economic Cycle Strategy: The Economic Cycle Strategy is a FTAWA proprietary investment model that utilizes employment and housing indicators to determine the composition of the Strategy. The goal of the Strategy is to mitigate the downside risk associated with investing in the equity market. Therefore, when employment and housing indicators are bullish, the Strategy holds investment vehicles designed to approximate the U.S. equity market. When employment and housing indicators are bearish, the Strategy holds investments designed to track the Barclays Aggregate Bond Index.

Foundation Strategy: The Foundation Strategy is a FTAWA proprietary investment model designed to emulate, to the extent reasonably possible, the diversified investment style practiced by leading endowments, specifically that of Yale University. The Strategy invests in ETF's designed to track the performance of the following asset classes; large-cap domestic equities, large-cap foreign equities, 10-Year Treasury Notes, the Goldman Sachs Commodity Index, and the NAREIT Real Estate Investment Trust Index. A technical scoring system is used to grade each asset class. The Strategy is designed to identify any asset class in a prolonged downturn and to move the corresponding allocation directed to that asset class into investments which track the Barclays Aggregate Bond Index.

High-Yield Corporate Bond Strategy: The High Yield Corporate Bond Strategy is a FTAWA proprietary investment model that uses a blend of high-yield corporate bond mutual funds and/or ETF's with specific sell triggers designed to reduce portfolio risk. The Strategy is designed to identify and take advantage of the return premiums available in the high-yield corporate bond asset class while attempting to minimize volatility through the use of security-specific risk tolerance limits. Each security employs a stop-loss strategy designed to prevent prolonged downturns.

International Prime Dividend Strategy: The International Prime Dividend Strategy is a FTAWA proprietary investment model designed to identify the leading foreign dividend paying stocks or ETF's that show companies with continually increasing, sustainable, dividend payouts. The Strategy utilizes an intermediate term tactical overlay to identify whether to be in a bullish posture or defensive posture. When the overlay indicates a bullish posture, the Strategy is fully invested in an array of foreign dividend paying stocks and/or ETF's. When the overlay indicates a bearish posture, the Strategy invests in an ETF designed to track the Barclays Pan-European Aggregate Bond Index.

U.S. Prime Dividend Strategy: The U.S. Prime Dividend Strategy is a FTAWA proprietary investment model designed to identify the leading U.S. dividend paying stocks and/or ETF's to show companies with continually increasing, sustainable dividend payouts. The Strategy utilizes an intermediate term tactical overlay to identify whether to be in a bullish posture or defensive posture. When the overlay indicates a bullish posture, the Strategy is fully invested in an array of U.S. dividend paying stocks and/or ETF's. When the overlay indicates a defensive posture, the Strategy is fully invested in an ETF designed to track the Barclays Capital US Intermediate Aggregate Bond index.

Strategic Hedged Income Strategy: The Strategic Hedged Income Strategy is a FTAWA proprietary investment model designed to identify a diversified allocation that attempts to preserve principle while seeking steady long-term growth. The Strategy utilizes a mix of ETF's identified by the investment model to track the performance of Spot Gold, U.S. Treasury Bills, 10-Year U.S. Treasury Notes, 30-year U.S. Treasury Bonds, and the NAREIT

Real Estate Investment Trust Index.

Strategic Enhanced Bond Strategy: The Strategic Enhanced Bond Strategy is a FTAWA proprietary investment model designed to identify an asset allocation combining conservative intermediate-term and inflation-protected bond funds with fourth quarter "prime period" equity exposure. The Strategy uses a proprietary model to determine the optimal time periods to hold a mix of U.S. corporate bond funds, inflation protected U.S. Treasury bonds ("TIPS") and a S&P 500 Index fund which may be leveraged. The actual component holdings are as follows: January 1 to late-October: a mix consisting of 70% intermediate-term corporate bond funds / 30% TIPS; late-October to December 31: 40% intermediate-term bond funds / 60% a S&P 500 Index leveraged by 100%. Investors should be aware that the use of leverage in this Strategy potentially increases its risk and volatility and therefore may not be suitable for all investors.

Strategic Mid-Cap Strategy: The Strategic Mid-Cap Strategy is a FTAWA proprietary investment model designed to identify and exploit seasonal influences on the U.S. equity market. Seasonal forces have historically skewed returns in certain months of the year, particularly during specific sub-periods in the final three months of the year. Each year, the Strategy holds an S&P Mid-Cap 400 Index ETF from late-October to the end of May, it then changes the holdings to intermediate-term bond ETF's from June to late-October. During the third and fourth quarters of each year, the Strategy increases the leverage exposure to the Mid-Cap market by 100% during certain sub-periods totaling less than twenty-five (25) days. The sub-periods are heavily influenced by end-of-month and holiday seasonal forces. Investors should be aware that the use of leverage in this Strategy potentially increases its risk and volatility and therefore may not be suitable for all investors.

Value Discount Strategy: The Value Discount Strategy is a FTAWA proprietary investment model designed to identify undervalued asset classes. The Strategy uses ETF's as representations of a specific asset class. Broadly, the represented asset classes include the equity market, U.S. Treasury bonds, corporate bonds, and cash or cash equivalents. The Strategy uses a proprietary model to examine and select which asset class is the most undervalued as compared to the equity risk premium for stocks, the credit risk premium for corporate bonds, and the term risk premium for U.S. Treasury bonds. If, after analysis, no asset class is considered undervalued the Strategy holds cash or cash equivalents.

SEMINARS AND WORKSHOPS

FTA holds educational seminars and workshops on the topic of retirement planning and the types of investments and services it offers. The seminars do not include any specific investment or tax advice.

Client Tailored Services and Client Imposed Restrictions

FTA documents the goals and objectives for each client in its client files. Individualized investment strategies are created to reflect the stated goals and objectives. Clients may only impose trading restrictions on specific securities that the client designates not be sold for tax or other reasons. Those restricted assets are not included in fee calculations. Client may not impose restrictions on investing in certain securities or types of securities. FTA predominately uses a blend of ETF's. As such, FTA is not able to place restrictions on the ETF's themselves. Clients are informed of this limitation and only provide FTA with

investable assets that can be investment on a discretionary basis. Clients may terminate advisory services with thirty (30) days written notice. FTA will be entitled to a pro rata fee for the days advisory service was provided in the final monthly billing period.

Advisory Agreements may not be assigned without the written consent of the client.

Wrap Fee Programs

FTA is not a wrap fee program sponsor.

Client Assets under Management

FTA's regulatory assets under management as of December 31, 2018 was \$82,415,836.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

ASSET MANAGEMENT

FTA offers discretionary asset management services to its advisory clients. FTA charges an annual fee of 2.75% for its asset management services. The fee is based on the assets under management for all client accounts.

The annual fee may be negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with a specific client). Fees are billed quarterly, in arrears, based on the amount of assets as of the close of business on the last business day of the quarter. The first payment will be prorated based on the date advisory agreement was executed and will be assessed pro rata in the event services are ended in the middle of a quarter. FTA will request authority from clients to receive quarterly payments directly from the client's account(s) held by an independent qualified custodian. Clients must provide written limited authorization to FTA to withdraw fees from account(s). Lower fees for comparable services may be available from other sources.

If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with FTA, the client may cancel within five (5) business days of signing agreement for a full refund. If the client cancels after five (5) business days, any unpaid earned fees will be due to FTA.

Client shall be given thirty (30) days prior written notice of any increase in fees. Client will acknowledge, in writing, any increase in advisory fees before such increase becomes effective.

CONSULTING SERVICES

FTA offers consulting services for a fixed fee of \$499 per year which are billed in advance. Should a party terminate the agreement before the term has expired, a pro-rata share of the fee will be refunded. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral consulting agreement with FTA, the Client may cancel within five (5) business days of signing

Agreement for a full refund.

SUB-ADVISORY SERVICES

FTA offers sub-advisory services for a fee of .75% on the collective assets under management of the independent investment adviser. Fees will be billed according to the unaffiliated investment adviser's Form ADV Part 2A. FTA is compensated directly by the unaffiliated investment adviser's custodian with a portion of the investment management fee, as per the duly executed sub-advisory agreement. An unaffiliated investment adviser who engage FTA as a sub-adviser shall be responsible for billing their clients and collecting all fees.

Sub-Advisory clients may terminate their account at any time. For accounts closed mid-billing cycle, FTA shall be entitled to charge a pro rata fee based on the days sub-advisory services were provided during the billing period. All client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees must be acknowledged in writing by both parties before any increase becomes effective.

SEMINARS AND WORKSHOPS

FTA holds educational workshops at Webster University to educate the public on different types of investments and the different services they offer. These workshops typically attract middle class individuals/couples. The seminars and workshops held by FTA are offered at no cost.

Additional State-specific Disclosures:

Florida Disclosure: Pursuant to Florida law, Florida residents may not be charged an advisory fee in excess of 2.00%.

Maryland Disclosure: The asset management and financial consulting fees charged by the adviser are generally higher than the fees charged by most advisers registered in the State of Maryland.

Client Payment of Fees

Investment management fees are billed quarterly, in arrears, from the end of the calendar quarter. The clients independent qualified custodian deducts the fees from client accounts. Sub-advisory fees are deducted from client accounts either daily, monthly or quarterly at the discretion of the independent qualified custodian.

Consulting services fees are billed annually, in advance, and shall not to exceed \$499.

Additional Client Fees Charged

All fees paid to FTA are separate and distinct from the fees and expenses charged by ETFs or the transaction fees charged by the custodian. ETF expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. A client could invest ETFs directly, without the services of FTA. In that case, the client would not receive the services provided by FTA which are designed, among other things, to assist the client in determining which ETF or other funds are most appropriate to each client's financial condition and objectives.

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

FTA does not charge client fees of greater than \$500 more than twelve (12) months in advance.

External Compensation for the Sale of Securities to Clients

FTA does not receive any external compensation for the sale of any securities to its clients.

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

Sharing of Capital Gains

FTA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7: Types of Clients

Description

FTA provides advisory services to individuals, high net-worth individuals, and small businesses. FTA also provides sub-advisory services to other independent registered investment advisors.

Client relationships vary in scope and length of service.

Account Minimums

FTA does not require an account minimum.

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

Methods of Analysis

FTA's security analysis is based on a number of factors, including those derived from academic research and literature, commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis.

Investment Strategy

While every client's situation is unique, certain factors should be considered in creating any investment plan. These factors include the purpose of the portfolio, its size, specific funding sources, how and when a client plans to use the funds, and the degree of uncertainty or risk a client is willing to accept in pursuit of their objectives. FTA uses this information to build the foundation of an investment plan that best matches the client's needs as well as the realities of the financial markets.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with their advisor:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period

(i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership.

- *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses. Leveraged investments are not for long-term investors or buy and hold strategies.
- *Security Specific Risk:* FTA primarily uses ETF’s, Treasury securities and cash equivalents in the investment programs it offers to FTA clients and third-party unaffiliated investment advisers. While FTA does not currently invest with any mutual funds in the investment programs, it reserves the right to do so in the future. The risks associated with ETF’s include all of the above risks with respect to the underlying securities held in the ETF. In addition, an ETF may be subject to increased liquidity risk if the underlying investments become illiquid or valuation becomes difficult. Tax risk is increased since the ETF manager solely determines when underlying investment are sold causing a taxable event to the ETF shareholders. Other potential risks include a nominal trading risk since unlike a mutual fund which has a set end of day NAV, ETF’s must be traded in the market and trading expenses may diminish returns. An ETF may be shut by the sponsor without notice resulting in the liquidation of the ETF resulting in reinvestment risk.

Item 9: Disciplinary Information

Criminal, Civil or Disciplinary Actions

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FTA or the integrity of FTA’s management. FTA has no information applicable to this Item.

Additional information regarding the disciplinary history of FTA and its investment advisor representatives is available the SEC’s website; www.adviserinfo.sec.gov.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

FTA does not employ any registered representatives of a broker-dealer.

Futures or Commodity Registration

FTA is not registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity-trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Some FTA IAR’s, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory

clients. Insurance product transactions are not done through FTA. Insurance transactions are regulated by the appropriate state insurance regulations. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Clients should be aware that the receipt of additional compensation by an FTA IAR creates a conflict of interest that may impair the objectivity of these individuals when making advisory recommendations.

FTA endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser. FTA takes the following steps to address this conflict: we disclose to clients the existence of all material conflicts of interest, including the potential for its IAR's to earn compensation from advisory clients in addition to FTA's advisory fees;

- FTA discloses to clients that they are not obligated to purchase recommended investment products from FTA or its IAR's;
- FTA collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- FTA's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- FTA requires that our IAR's seek prior approval of any outside employment activity so that it may ensure that any conflicts of interests in such activities are properly addressed; and
- FTA educates our IAR's regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Managing Member, David Scott Brooks, has a financial affiliated business as an insurance agent. Greater than 50% of Mr. Brooks' time is spent in his insurance practice. He will offer clients advice or products from those activities. Mr. Brooks does not offer insurance products to clients in any State where he is not properly licensed.

The Chief Investment Officer, Gordon Haave, is a Managing Director at Agora Trust; Director at Universal Fusion Ltd.; Director at Universal Fusion Capital LLC; Member at International Recovery Management; and a Director at Coinrush, Ltd. None of these outside activities are a conflict of interest with Mr. Haave's role at FTA. There are no mutual clients and at no time does Mr. Haave solicit business from any FTA clients.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

FTA does not select or recommend other registered investment advisors.

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

Code of Ethics Description

FTA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. FTA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth FTA's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with FTA buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the expressed policy of FTA that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, FTA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Compliance department.

FTA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. FTA requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

FTA will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

FTA does not have a material financial interest in any securities or issuer of securities and its employees do not recommend to any client securities in which it has a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

FTA and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide FTA with copies of their brokerage statements.

FTA's Chief Compliance Officer reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that FTA clients receive preferential treatment over employee transactions.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

FTA does not maintain a proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide FTA with copies of their brokerage statements.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

FTA participates in the Interactive Brokers, LLC's ("IB") and the Trust Company of America by E*Trade's ("TCA"). Both IB and TCA act as the independent qualified custodian for FTA clients. The IB and TCA brokerage programs are offered to advisory clients for the execution of securities transactions. FTA periodically reviews these programs to ensure that their offerings are consistent with its fiduciary duty. These trading platforms are essential to FTA's service arrangements and capabilities, and FTA does not accept clients who direct the use of other brokers. FTA relies on its broker/dealer to provide its execution services at the best prices available. Clients are responsible for any fees associated with custodial services charged by their qualified custodian.

Selection of Broker/Dealers and Custodians

FTA seeks to recommend a broker-dealer/custodian that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available third-party providers and their services. FTA considers a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions. - Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.

Best Execution

Investment advisors who manage or supervise client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is executed, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. FTA does not receive any portion of the trading fees.

Soft Dollar Arrangements

FTA does not participate in any soft dollar arrangements. The SEC defines soft dollar practices as an arrangement under which products or services other than execution services are obtained by FTA from or through a broker-dealer in exchange for directing client transactions to the broker-dealer.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account assets are supervised continuously and reviewed not less than quarterly. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, an addition or subtraction of cash from management, drift or variance from the model portfolio weighting, the financial market, political or economic environment, or any other reasonable factors at the request of the client

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's financial condition.

Content of Client Provided Reports and Frequency

Clients receive written account statements not less than quarterly from an independent qualified custodian. The client receives a confirmation of each transaction in their account from the qualified custodian and an additional statement during any month in which a transaction occurs. Clients also are provided with online access to their accounts, which is available any time.

ERISA Plan Service accounts will receive reports as contracted for at the inception of the advisory relationship, and as mandated by law. Clients also are provided with online access to their accounts, which is available any time.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

FTA does not receive any economic benefits from external sources.

Advisory Firm Payments for Client Referrals

FTA may pay referral fees to independent persons or firms ("Solicitors") for client introductions. These referral fees are based upon an agreed upon amount of the fees paid to FTA by clients solicited by each Solicitor. FTA requires the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with FTA;
- the fact that the Solicitor is being paid a referral fee;
- whether the fee paid to FTA by the client will be increased above our normal fees in order to compensate the Solicitor.

FTA does not increase advisory fees paid by clients referred by solicitors are not increased as a result of any referral. It is FTA's policy not to accept or allow our related persons to

accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services provided to our clients. FTA will not utilize a solicitor in any state in which it is not registered.

Item 15: Custody

Account Statements

All assets are held at independent qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by FTA. Clients should also carefully review statements they receive from custodians.

FTA does not maintain custody of client funds or securities however, FTA is deemed to have constructive custody solely as the result of advisory fees are directly deducted from a client's account by the custodian on behalf of FTA.

Additionally, FTA avoids having custody by following safeguarding procedures as follows:

When advisory fees are calculated and deducted from the account by the custodian:

- FTA will provide the client with an invoice prior to instructing the custodian to deduct the fee stating the amount of the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on and the time-period covered by the fee;
- At account opening, FTA obtains written authorization signed by the client allowing the fees to be calculated and deducted by the custodian; and
- The client receives quarterly statements directly from the custodian which disclose the fees deducted.
- FTA receives written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph.

Item 16: Investment Discretion

Discretionary Authority for Trading

FTA requires discretionary authority to manage securities accounts on behalf of its clients. FTA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The client will authorize FTA discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

The client approves the custodian to be used and the commission rates paid to the custodian. FTA does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Item 17: Voting Client Securities

Proxy Votes

FTA does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, FTA will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18: Financial Information

Balance Sheet

An audited balance sheet is not required since FTA does not serve as a custodian for client funds or securities. FTA does not accept the prepayment of fees of greater than \$500 and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

FTA has no condition that is reasonably likely to impair its ability to meet the contractual commitments to its clients.

Bankruptcy Petitions during the Past Ten Years

On April 11, 2014, Mr. David Brooks filed for bankruptcy. This bankruptcy was discharged on May 11, 2014.