Brochure

Form ADV Part 2A

Item 1 - Cover Page

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March 24, 2026

This Brochure provides information about the qualifications and business practices of Benedict Financial Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (770) 671-8228 or mark@benedictfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Benedict Financial Advisors, Inc., is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Benedict Financial Advisors, Inc. also is available on the SEC's website at **www.AdviserInfo.sec.gov**.

Item 2 - Material Changes

Registered Investment Advisers are required to use this Brochure format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our Brochure since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 12, 2025. Of course, the complete Brochure is available to clients at any time upon request.

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Item 4 - Advisory Business

General Information
Benedict Financial Advisors, Inc. ("BFA") was formed in 1982 and provides financial planning, portfolio management, general consulting and educational services to its clients.

Mark A. Beaver and Travis M. James are the principal owners and managing partners of BFA. Please see the appropriate Brochure Supplement provided under separate cover for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients.

As of December 31, 2025, BFA managed $529,382,185 on a discretionary basis, and no assets on a non-discretionary basis.

SERVICES PROVIDED

At the outset of each client relationship, BFA spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. If appropriate and necessary, BFA will provide limited financial planning services, generally concentrating on retirement income planning. The goal of this service is to assess the financial circumstances of the client to more effectively develop the client's Investment Plan. Financial planning is not generally offered as a stand-alone service or for a separate fee, but is typically provided in conjunction with the management of the portfolio.

Based on all the information initially gathered, BFA generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan" or "Plan").

The Financial Profile is a reflection of the client's current financial picture with a focus on retirement income planning and a look to the future goals of the client. The Investment Plan outlines the types of investments that BFA will make or recommend that the client consider to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Where BFA provides general consulting services, BFA will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

With respect to any account for which BFA meets the definition of a fiduciary under Department of Labor rules, BFA acknowledges that both BFA and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between BFA and Client.

Financial Planning
As described above, BFA will provide limited financial planning service. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;

- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light ofthe client's financial goals and objectives;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of theclient;
- Providing estate planning; or
- Reviewing goals and objectives and measuring progress toward these goals.

Management

As described above, at the beginning of a client relationship, BFA meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by BFA based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, BFA will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, BFA will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on BFA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of BFA.

Wrap Programs

Some clients have chosen to engage BFA through its wrap program (the "Benedict Wrap Program" or the "Wrap Program") in order to simplify the payment of management fees and transaction charges. The Wrap Program does not at present include any outside managers, but exists solely for administrative expediency in combining transaction charges with BFA's portfolio management fees. Generally, BFA requires that clients have portfolios valued at $1.25 million or more to be eligible for the Wrap Program although exceptions may be made at the discretion of BFA.

General Consulting

In addition to the foregoing services, BFA may provide general consulting services to clients. These services are generally provided on a project basis, and usually include, without limitation, cash flow planning for certain events such as education expenses or retirement, estate planning analysis, income tax planning analysis and review of a client's insurance portfolio, as well as other matters specific to the client as and when requested by the client and agreed to by BFA. The scope and fees for consulting services will be negotiated with each client at the time of engagement for the applicable project.

Education

One of the prime purposes of BFA is to provide education on financial and investment areas that are designed to be understandable by the general public. BFA publishes several newsletters on general financial topics and specific investment areas. These include: THE BENEDICT REPORT, FROM THE FIFTH FLOOR and the BENEDICT BRIEF. BFA also conducts various lectures and workshops on financial and investment matters for existing clients, friends and the public in general.

Item 5 - Fees and Compensation

General Fee Information

Clients enter into one of two fee arrangements. Generally, clients elect to pay management fees to BFA separately from the transaction charges of the account. Accordingly, client accounts pay a management fee to BFA, plus transaction charges to the custodian and executing broker/dealer,LPL Financial ("LPL"). The transaction charges vary based on the type of transaction (e.g., equity, fixed income security, mutual fund, exchange traded funds, etc.). BFA does not receive any portion of the transaction charges paid to LPL.

Alternatively, certain eligible clients may engage in the Benedict Wrap Program. The Wrap Program fee structure includes the transaction charges of the account as well as the management fee paid to BFA. Under this inclusive billing alternative, BFA will assess one client fee that captures the management fee and transaction charges collectively. Although clients do not pay transaction charges in Wrap Program accounts, clients should be aware that BFA pays LPL for transaction charges in client accounts. This creates a conflict of interest and financial incentive for BFA to avoid transactions in client accounts, or to place such trades less frequently. Clients should also understand that the amount of the transaction charges paid by BFA is a factor that BFA considers when deciding which securities to select, how frequently to place transactions, and the level of management fee to charge clients.

In either of these arrangements, the fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, Exchange Traded Funds (ETFs), or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials).

In addition, LPL also charges to the client additional miscellaneous fees and charges including, but not limited to, account transfer fees, retirement account maintenance fees, wire transfer fees, alternative investment processing fees, and other fees and charges required by law. LPL also receives other compensation (direct or indirect) from other third parties in connection with client holdings or transactions. BFA does not receive any portion of these fees or expenses. The client is encouraged to carefully review all fees charged by funds, brokers, BFA and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Please see ***Item 12 - Brokerage Practices*** for additional information.

Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

Account balance up to $750,000	1.49%
Account balance of $750,000 to $1,250,000	1.29%
Account balance of $1,250,000 to $2,000,000	1.19%
Account balance of $2,000,000 to $3,000,000	1.14%
Account balance of $3,000,000 to $5,000,000	1.09%
Account balance over $5,000,000	0.95%

The minimum portfolio value is generally set at $300,000. The fee schedule is set based on the initial value of the account, and is generally not adjusted for changes in asset levels. BFA may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where BFA deems it appropriate under the circumstances. Portfolio management fees are generally payable quarterly, in advance. Fees are prorated for cash flows during each quarter. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

Either BFA or the client may terminate their advisory client agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees, based on the number of days that the account was managed, will be promptly refunded to the client, and any fees due to BFA from the client will be invoiced or deducted from the client's account prior to termination.

Please see ***Item 12 - Brokerage Practices*** for additional information.

Wrap Program Fees

As described above, clients may participate in BFA's Wrap Program. Clients participating in the Wrap Program will pay the management fees listed above, but do not separately pay transaction charges in the account(s) managed by BFA, and BFA pays the transaction charges imposed by the custodian on behalf of the client. Generally, BFA requires that clients have portfolios valued at $1.25 million or more to be eligible for the Wrap Program although exceptions can be made at the discretion of BFA.

Financial Planning Fees

To the extent BFA provides stand-alone financial planning services, fees are negotiated with each client and vary depending upon the complexity of the client's financial circumstances.

General Consulting Fees

When BFA provides general consulting services to clients, these services are generally separate from BFA's financial planning services. Fees for general consulting are negotiated at the time of the engagement for such services.

Rollovers

There is a conflict of interest for individuals that currently invest in an employer- sponsored retirement plan or individual retirement account that are considering a roll out of assets from the retirement plan or account. A conflict of interest exists because BFA will be compensated only if the individual rolls over the proceeds into an IRA that is then managed by BFA. As a result, it can be construed that BFA has a financial incentive to recommend one option over another. Therefore, the individual should include in his/her decision making process, a thorough review of all options available; for example (i) remain invested in the current retirement plan or account (if available), (ii) transfer assets to a new employer-sponsored retirement plan (if available), (iii) transfer assets to an IRA with a financial institution, or (iv) withdraw assets directly which would be subject to federal and

applicable state and local taxes and possibly subject to the IRS penalty of 10% depending upon the age of the individual.

Other Compensation

Certain investment adviser representatives of BFA are licensed insurance agents for life, health and disability insurance. Benedict Financial Group, Inc. is an insurance agency registered in Georgia, Florida, Michigan and North Carolina. They use the services of independent insurance brokerage firms. Insurance products provided are limited to term-life, an occasional fixed-universal life and long-term care coverage and fixed annuities. Variable annuities are regulated as securities. No advice or products are offered regarding other areas of insurance such as: variable life, property and casualty. If insurance products are recommended, the client is under no obligation to purchase such products through the representative; however, if the client elects to purchase an insurance product using the representative as his agent, that representative will then earn a commission. Clients also have the option to purchase such products through other brokers or agents not affiliated with BFA.

Certain investment adviser representatives of BFA are also Registered Representatives of LPL Financial ("LPL"), a FINRA and SIPC member, registered broker/dealer and registered investment adviser. As Registered Representatives, they are entitled to receive commissions or other remuneration on the sale of securities and other products. In order to protect client interests, BFA's policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to these individuals and also pay an advisory fee to BFA on assets held in the same account. These fees are exclusive of each other. If securities products are recommended, the client is under no obligation to purchase such products through the representative but has the option to purchase such products through other brokers or agents not affiliated with BFA.

As a result of this relationship, LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about BFA's clients, even if the client does not establish any account through LPL. If you would like a copy of LPL's privacy policy, please contact Mark Beaver.

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

BFA does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because BFA has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

BFA serves individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. With some exceptions, the minimum portfolio value eligible for portfolio management services is $300,000. BFA typically requires a minimum portfolio value of $1.25 million to participate in its Wrap Program. Under certain circumstances and in its sole discretion, BFA may negotiate such minimums.

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

Methods of Analysis

In accordance with the Investment Plan, BFA will primarily invest in common stocks, ETFs (Exchange Traded Funds), mutual funds, and individual bonds.

In making selections of individual stocks for client portfolios, BFA may use any of the following types of analysis:

Fundamental Analysis – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Charting Analysis – involves gathering and processing price and volume information for a particular security. BFA's charting analysis includes, without limitation:

- mathematical analysis;
- graphing charts; and estimations of future price movements based on perceived patterns and trends.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Cyclical Analysis – is a type of technical analysis that involves evaluating recurring price patterns and trends.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. BFA will generally evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

BFA generally bases its financial planning analysis on the cash flow needs of the client. By focusing on the timing of cash flow needs, BFA can assist the client in making meaningful decisions.

Investment Strategies

BFA's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold

within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Short Sales – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Trading – generally considered holding a security for less than thirty (30) days.

Options Trading/Writing – a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Risk of Loss

While BFA seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money. Investing in securities involves risk of loss that clients should be prepared to bear.

Below is a description of several of the principal risks that client investment portfolios face; clients should be prepared to bear such risks.

Management Risks. While BFA manages client investment portfolios based on BFA's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that BFA allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that BFA's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, BFA may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. BFA will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for

all companies, regardless of any individual security's prospects.

Fixed Income Risks. BFA may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. BFA may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of BFA or the integrity of BFA's management. BFA has no disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

BFA is affiliated with Benedict Financial Group, Inc., a licensed insurance agency in Georgia, Florida, Michigan and North Carolina. From time to time, BFA may refer a client to Benedict Financial Group, Inc. for insurance services or Benedict Financial Group, Inc. may refer a client to BFA for advisory services. Neither BFA nor Benedict Financial Group, Inc. will receive a fee for making such referrals. Insurance services provided by Benedict Financial Group, Inc. are separate and distinct from BFA's advisory services, and are provided for separate and typical compensation. Certain employees of BFA are also be insurance agents of Benedict Financial Group, Inc. As such, these individuals will be able to effect insurance transactions and will receive commissions or other compensation accordingly. No BFA client is obligated to use Benedict Financial Group, Inc. for insurance services and conversely, no Benedict Financial Group, Inc. client is obligated to use the advisory services provided by BFA.

As described in Item 5, certain employees of BFA are registered representatives of LPL ("Dually Registered Persons"). LPL is a broker-dealer that is independently owned and operated and is not affiliated with BFA. Please refer to ***Item 12 - Brokerage Practices*** for a discussion of the benefits BFA receives from LPL and the conflicts of interest associated with receipt of such benefits.

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

Code of Ethics and Personal Trading

BFA has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. BFA's Code has several goals. First, the Code is designed to assist BFA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, BFA owes fiduciary duties to its clients. Pursuant to these fiduciary duties the Code requires persons associated with BFA (manager, officers and employees) to act with honesty, good faith and

fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for BFA's associated persons. Under the Code's Professional Standards, BFA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, BFA associated persons are not to take inappropriate advantage of their positions in relation to BFA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, BFA's associated persons may invest in the same securities recommended to clients. Under its Code, BFA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, BFA has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, BFA's goal is to place client interests first.

Consistent with the foregoing, BFA maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If a BFA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with BFA's written policy.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, BFA seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, BFA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination), and may be used in servicing any or all of BFA's clients. Therefore, research services received may not be used for the account for which the particular transaction wasaffected.

BFA participates in the LPL service program. While there is no direct link between the investment advice BFA provides and participation in the LPL program, BFA receives certain economic benefits from the LPL program.

BFA will generally require that clients establish a brokerage account with LPL to maintain custody of clients' assets and to effect trades for their accounts. LPL provides brokerage and custodial services to independent investment advisory firms, including BFA. For BFA's accounts custodied at LPL, LPL

generally is compensated by clients through transaction charges for trades that are executed through LPL or that settle into LPL accounts. For IRA accounts, LPL generally charges account maintenance fees. In addition, LPL also charges clients miscellaneous fees and charges, such as account transfer fees. Please see ***Item 5 – Fees and Compensation*** for additional information.

While LPL Financial does not participate in, or influence the formulation of, the investment advice BFA provides, certain supervised persons of BFA are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker- dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by BFA, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, BFA is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should understand that not all investment advisers require that clients custody their accounts and trade through specific broker-dealers.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of BFA and its Dually Registered Persons that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because BFA has a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

<u>Benefits Received by BFA Personnel</u>
LPL Financial makes available to BFA various products and services designed to assist BFA in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of BFA's accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of BFA's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to BFA other services intended to help BFA manage and further develop its business. Some of these services assist BFA to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only BFA, for example, services that assist BFA in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by BFA in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to BFA to cover the cost of such services, reimburse BFA for the cost associated with the services, or pay the third party vendor directly on behalf of BFA.

The products and services described above are provided to BFA as part of its overall relationship with LPL Financial. While as a fiduciary BFA endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because BFA's requirement that clients custody their assets at LPL Financial is based in part on the benefit to BFA of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. BFA's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform. These services are not soft dollar arrangements, but are part of the institutional platform offered by LPL.

Directed Brokerage

From time to time, clients may direct BFA to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that BFA has with LPL is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing BFA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with BFA that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

BFA may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows BFA to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

BFA will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of BFA's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all BFA's transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical. To the extent we do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that that the practice of not aggregating may cost clients more money.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the original allocation. If the order is partially filled, it will generally be allocated pro-rata, based on the original allocation.

Item 13 - Review of Accounts

Managed portfolios are reviewed periodically and not less than annually, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by BFA. These factors generally include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. The accounts are reviewed by investment adviser representatives of BFA.

Clients to whom BFA provides financial planning and/or general services, reviews are conducted on an as needed or agreed upon basis by an investment adviser representative of BFA.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. BFA will provide additional written reports as needed or requested by the client.

Item 14 - Client Referrals and Other Compensation

As noted above, BFA receives an economic benefit from LPL in the form of support products and services it makes available to BFA and other independent investment advisors that have their clients maintain accounts at LPL. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices.*** The availability of LPL's products and services to BFA is based solely on our participation in the programs and not in the provision of any particular investment advice.

From time to time, BFA will compensate individuals for client referrals. These individuals are referred to as promoters and BFA pays them a portion of the advisory fee paid by the client. Disclosures are made to the client by the promoter at the time of any referral.

As a result of our relationship with LPL, we will receive production bonuses, restricted stock units to purchase shares of LPL's parent company, and other things of value such as free or reduced-cost attendance at LPL's national sales conference or top producer forums or events. Such compensation may be based on overall business produced and/or the amount of assets serviced through LPL. The receipt of any such compensation creates a financial incentive for a representative to recommend LPL as custodian for the assets in a client's advisory account. Clients are encouraged to discuss any such conflicts of interest with representatives before making a decision to custody their assets at LPL.

Item 15 - Custody

LPL is the custodian of all client accounts at BFA. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify BFA of any questions or concerns. Clients are also asked to promptly notify BFA if the custodian fails to provide statements

on each account held.

From time to time and in accordance with BFA's agreement with clients, BFA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues. These reports do not take the place of the official statements that you receive from LPL.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, BFA manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, BFA will execute that plan without specific consent from the client for each transaction. This authorization is provided to BFA in the investment advisory agreement. BFA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the discretion to the extent consistent with the client's investment advisory agreement with BFA and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between BFA and the client.

Item 17 - Voting Client Securities

Where BFA has authority to vote proxies, BFA will seek to vote proxies in the best interest of the client(s) holding the applicable securities. In voting proxies, BFA considers factors that BFA believes relate to the client's investment(s) and factors, if any, that are set forth in written instructions from the client.

BFA has elected to utilize the services of Broadridge Financial Solutions, Inc. ("Broadridge"), a Voting Agent Service, to handle day-to-day functions relating to proxy voting, utilizing the voting methodology of Glass, Lewis & Co., LLC. This approach to enhancing overall corporate value through effective proxy voting relies on third party analysis and recommendations that are developed on an issue-by-company basis, rather than an issue-by-issue basis.

Issue-by-issue analysis assumes that a specific set of corporate governance initiatives is, or is not, inherently beneficial to shareholders and that a specific recommendation for a particular issue should be applied across-the-board to the voting of all corporations' proxies. This one-size-fits-all approach, however, frequently results in a lack of focus on issues that genuinely impact long-term shareholder value and, as a result, disadvantages shareholders.

By comparison, the issue-by-company approach views proxy issues in the context of company-specific metrics, taking into account a variety of relevant factors. BFA has embraced the Glass, Lewis & Co., LLC methodology and approach to this important process.

A copy of BFA's complete policy, as well as records of proxies voted, is available to Clients upon request. As required under the Advisers Act, such records are maintained for a period of five (5) years.

<u>Class Action Suits</u>

BFA has also arranged for Broadridge to provide class action litigation monitoring and securities claim filing administration for client accounts. For this service, Broadridge charges a contingency fee of 20% of the amount of each claim settlement award, which is deducted from the client's award at the time of payment. There are no minimum fees or other fees deducted from an account related to this service. Regardless of whether a client chooses to utilize the services of Broadridge, BFA does not monitor or file claims on a client's behalf. BFA does not collect any portion of the fee assessed by

Broadridge.

Item 18 - Financial Information

BFA does not require nor solicit prepayment of more than $1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.