Form ADV Part 2A
Firm Brochure
April 16, 2026

This Brochure provides information about the qualifications and business practices of Rea Financial. If you have any questions about the contents of this Brochure, please contact us at 407-787-9700, or via e-mail at james@reafinancialgroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Rea Financial is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

Additional information about Rea Financial is also available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 2 Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of our Firm Brochure. This Item discusses only specific material changes made to this Brochure and provides our clients with a summary of such changes.

Material Changes since the Last Update

Rea Financial is a newly registered investment advisory firm in 2026.

The firm has changed its CCO.

Full Brochure and Additional Information

Full Brochure and additional information about Rea Financial are available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with us who are registered or are required to be registered as investment adviser representatives ("IAR").

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ITEM 4 Advisory Business

Firm Information

Rea Financial ("Rea Financial," "we," "us," "our"), formed in December 2022 is a registered investment advisory firm located in Orlando, FL. We have been a registered investment advisory firm since March 2026.

Principal Owners

Rea Financial is owned and controlled by James W Rea. Brittany Yocum is the Chief Compliance Officer.

Investment Advisory Services

Asset Management Services:

We provide asset management services in which we manage your custodial accounts and provide you with continuous and ongoing supervision of your custodial accounts. Our services provide additional investment opportunities among stocks, bonds, mutual funds, exchange-traded funds (ETFs), variable annuities, Real Estate Investment Trusts (REITs), options, and additional securities.

Financial Planning and Consulting Services:

We provide various financial planning and consulting services that find ways to help you understand your overall financial situation and help you set financial objectives. We accomplish this by helping you review your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives such as budgeting, education planning, cash flow planning, charitable planning, lines of credit analysis, insurance analysis, business financial planning, mortgage/debt analysis, and real estate analysis. Generally, such financial planning and consulting services will involve preparing a financial plan or rendering a financial consultation based on your financial goals and objectives. We will summarize our services to you in a written plan, which will typically include general recommendations for a course of action or specific actions to be taken by you. Implementation of the recommendations will be at your discretion. We provide our financial planning and consulting services at percentage of assets under management.

Ongoing Financial Planning and Consulting Services

Upon completion of the client's financial plan or consulting engagement, we will revisit all or some of the following areas of analysis: financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives such as budgeting, education planning, cash flow planning, charitable planning, lines of credit analysis, insurance analysis, business financial planning, mortgage/debt analysis, and real estate analysis throughout the course of a year via scheduled meetings, calls, or follow-up emails to ensure that the initial recommendations in the financial plan or consulting engagement are implemented or to make adjustments to the Client's financial plan and/or the Client's objectives.

Third-Party Money Management Services:

Firm offers internal, custom portfolio services to our clients; however, we may utilize portfolio services available through a Turnkey Asset Management Program (TAMP). Our Firm has an arrangement with a third party, Platform Provider/TAMP, Triad Wealth Partners, LLC (CRD number 326523) ("TWP"). As part of the Platform Provider program, Clients provide our Firm and the

Platform Provider discretion to select third party, non-affiliated investment managers ("Independent Model Managers") to design and manage model portfolios. The determination to use a particular Independent Model Manager or model is based on each client's individual investment goals, objectives and mandates. TWP is an SEC registered investment adviser and offers asset management services that may include:

- model managers
- portfolio management
- strategists
- billing services
- marketing services

Our Firm has access to the Platform Provider's reporting systems, client relationship management systems and workflow systems to assist clients in establishing an advisory account. Due to this arrangement, the Firm and TWP will have access to client information and both are providing advisory services in the relationship. TWP will provide investment advice and a suitability analysis and determination regarding selection of investment solutions and strategies offered by TWP for each client account. The total advisory fee includes the Firm's fee and the platform provider or TAMP fee. When clients select outside independent model managers, those managers may charge an additional fee on top of the Firm's fee. In addition to this brochure, clients will typically also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

The Firm and TWP are non-affiliated companies. TWP charges our Firm an annual fee for each account administered by TWP. The annual fee is paid from the portion of the management fee retained by us. Clients receive continuous investment advice based on investment objectives, risk profile and time-horizon. While investment strategies and recommendations are tailored to the individual needs of each client, they consist of an asset allocation consistent as outlined in Item 8 of this Brochure

Tailored Investment Advisory Services and Restrictions

Rea Financial offers the same suite of services to all our clients; however, specific recommendations and their implementation are dependent upon the individual client's current financial situation, such as income, net worth, and risk tolerance levels.

On a case-by-case basis, our clients can impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client's account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship.

We can request additional information and documentation, such as current investments, tax returns, insurance policies, and estate plans. We will discuss your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant, or other professionals.

Wrap Fee Programs

Rea Financial does not participate in, recommend, or offer wrap fee programs.

Assets under Management

Rea Financial is a newly registered investment advisory firm with the Securities and Exchange Commission (SEC) and currently does not have any assets under management.

ITEM 5 Fees and Compensation

Annual Fees for Advisory Services

Rea Financial is compensated for providing asset management services by charging a negotiable fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and Rea Financial.

The below ranges are the standard fee ranges that are typically charged.

Asset Management Fee Schedule	
$0 - $500,000	1.5%
$500,001 - $1,000,000	1.35%
$1,000,001 - $2,000,000	1.2%
$2,000,001 - $3,000,000	1%
$3,000,001 - $5,000,000	0.85%
$5,000,001 +	0.75%

Fee Billing & Payment

The Management Fee is calculated on a blended rate basis. For example, for an account valued at $750,000, the blended rate is calculated as follows: First $500,000 at 1.50%, next $250,000 at 1.35% for a blended rate of 1.43%. The annual fee will be prorated based on the actural number of days in the billing cycle. The Management Fee is prorated and billed on a quarterly basis, in advance, based upon the market value of the Assets on the last day of the previous quarter. Cash flows into and out of the accounts are trued up on a quarterly basis as part of the regular billing cycle. The fee for the subsequent quarter is billed and payable within ten (10) days after the end of the prior quarter. We will deduct our asset management fee only when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. We will send a copy of your invoice to the custodian at the same time that we send a copy to you. The qualified custodian will deliver an account statement to you at least quarterly, which will show all disbursements from your account. We urge you to review all statements for accuracy. Your account at the custodian can also be charged for certain additional assets managed for you by us but not held by the custodian (i.e., variable annuities, mutual funds, 401(k)s).

In certain circumstances, clients may be billed a flat fee that will be disclosed at time of the agreement signing.

Financial planning and consulting fees are assessed as a percentage of assets payable quarterly based on the same schedule as above. We will not require a fee of $1200 or more to be paid six months or more in advance. Financial planning and consulting fees are paid via check or by direct invoicing via an electronic payment processor.

For accounts where the platform provider is engaged, clients' fees will be calculated and deducted from your account by the platform provider with our portion of the overall fee paid directly by the platform provider to our firm. Fees are billed as defined in the client Investment Advisory Agreement. Billing will begin after the account has been funded.

We urge our clients to refer to the selected TPMM's disclosure documents for exact fees and expenses charged by each such TPMM, as well as minimum account requirements, refund, and termination provisions. A complete description of each program can be found in disclosure materials prepared by the TPMM, which we will provide to the client at the time we recommend the program.

You are responsible for all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by Rea Financial.

Termination of Agreement

Either party can terminate the agreement by providing 30-day advance written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

Other Expenses and Fees

The fees discussed above include payment solely for the investment advisory services provided by us and are separate from certain fees or charges that are imposed by third parties in connection with investments made on your behalf for your account. Third-party fees can include markdowns, markups, brokerage commissions, other transaction costs, and/or custodial fees.

All fees paid to us for asset management services are separate from the expenses charged by exchange-traded funds and mutual funds to their shareholders. These fees and expenses will be used to pay management fees for the funds, other fund expenses, account administration, and a possible distribution fee. Exchanged traded funds and mutual funds can be invested in directly by you without our services. However, you would not receive our services to assist you in determining which products or services are most suitable for your financial situation and objectives. You should review both the fees we charge and the fees charged by the fund(s) to understand the total fees to be paid fully.

Please refer to Item 12 of this brochure for a more detailed explanation of brokerage practices.

Other Compensation

Certain of our associated persons are also licensed, insurance agents. In this capacity, the IARs can recommend insurance, advisory, or other products and receive normal insurance commissions if products are purchased through the IAR(s) in this capacity. Thus, a conflict of interest exists between the interests of these individuals and those of the advisory clients, creating an incentive for the IAR(s) to recommend products based on the compensation received rather than on a client's needs.

However, clients are under no obligation to act upon any of these recommendations. Although our recommendations can include products offered by third parties, these recommendations are not limited to such products, as all financial planning advice provided is of a generic nature. Clients have the option to purchase insurance products recommended by the IAR through other agents not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

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

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

ITEM 7 Types of Clients

We provide our investment advisory services to:

- Individuals
- High Net Worth Individuals

We do not have a minimum account size for our asset management services.

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

Methods of Analysis

We use various methods of analysis and investment strategies, including the following:

Fundamental Analysis – We evaluate economic and financial factors to determine if a security can be underpriced, overpriced, or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments can result in significant price fluctuations that can lead to investor losses.

Technical Analysis – This method involves the evaluation of securities by performing an analysis of statical information that is generated by market activity, such as past prices and volume. Technical

analysis does not attempt to measure a security's intrinsic value but instead use charts and other tools to determine the patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

A substantial risk in relying upon technical analysis is that spotting historical trends cannot help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

Modern Portfolio Theory - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

MPT tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy, there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

Investment Strategies

When formulating investment advice or managing client assets, we will use the following investment strategies. There are inherent risks associated with each of these strategies.

Long-Term Strategy - A long-term strategy cannot take advantage of short-term gains or can experience more volatility over the life of the portfolio.

Short-Term Strategy – A short-term strategy involves the purchase of securities with the idea of selling them within a relatively short time, typically a year or less. This strategy is done in an attempt to take advantage of conditions that result in market fluctuations in the securities purchased.

Income Strategy – An income strategy will seek to maximize income relative to a client's risk profile and is pursued typically to provide a steady stream of income that can either be reinvested or be used at the Client's discretion. An income strategy generally utilizes fixed income products that are subject to interest rate risk, prepayment risk, market risk, and, in the case of bonds issued by municipalities and corporations, depending on the type of bond, the potential of default risk.

Hedging Strategy – A hedging strategy uses certain instruments such as options and certain ETFs to limit or reduce investment risk; however, this strategy can also be expected to limit or reduce the potential for profit or result in losses. Certain hedging transactions involves the use of leverage, which could result in losses exceeding the amount committed in the transaction.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

Potential Risks

Investing involves different levels of risk that can result in loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss that clients should be prepared to bear.

Investing involves the assumption of risk, including:

Financial Risk: which is the risk that the companies we recommend to you perform poorly, which affects the price of your investment.

Market Risk: which is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.

Political and Governmental Risk: which is the risk that the value of your investment will is affected by the introduction of new laws or regulations.

Interest Rate Risk: which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

Call Risk: which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

Default Risk: which is the risk that the issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

Short-Term Purchases: Short-term purchases can incur more trading and brokerage costs in the form of increased commissions and transaction costs and increased tax obligations on the gains of a security's value. A short-term strategy runs the risk that certain anticipated market movements do not occur, resulting in the client holding a security for longer than intended.

ITEM 9 Disciplinary Information

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

ITEM 10 Other Financial Activities and Affiliations

Financial Industry Activities

Neither Rea Financial nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Rea Financial nor its management persons are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Affiliations

Certain associates of the firm are also insurance agents licensed to sell insurance products. A conflict of interest exists in that these services pay a commission, which conflicts with the IAR's fiduciary duties. Rea Financial does not require its IARs to encourage clients to implement investment advice

through our insurance product recommendations. Clients have the right to implement insurance product recommendations through the insurance agency and agent of their choice. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose that the client has the right to purchase recommended products from individuals not affiliated with us.

Selection of Other Investment Advisers

We recommend or select TPMMs for our clients and receive compensation from the third-party via a fee share; thus, a material conflict of interest exists between our interests and those of our clients in that Rea Financial has an incentive to direct clients to TPMMs that provide us with a larger fee split. Rea Financial will always act in the best interest of our clients when making recommendations or selecting TPMMs. The client always has the right to decide whether to act on our recommendations and whether to utilize the services of the recommended TPMM. The client always has the right to utilize the professional of his or her choice. All TPMMs will be properly licensed and registered as investment advisers in the proper jurisdictions. The fees shared will not exceed any limit imposed by any regulatory agency.

ITEM 11 Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics

Rea Financial has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Rea Financial has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand, and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

Recommendations Involving a Material Financial Interest

Neither we nor any related person recommend to clients or buys or sells for clients' accounts securities in which we or a related person has a material financial interest.

Participation or Interest in Client Transactions

There are instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients can also have a position or interest. Certain affiliated accounts can trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

Personal Trading

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements and do not conflict with their duty to Rea Financial and our clients. Rea Financial monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as Rea Financial. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or communicate such information to others in violation of the law.

ITEM 12 Brokerage Practices

Rea Financial currently has arrangements with Charles Schwab & Co., Inc. ("Schwab"). Schwab is the unaffiliated, qualified custodian whereby Rea Financial would suggest you custody your accounts. Schwab is an independent SEC-registered broker-dealer and a member of FINRA and SIPC.

As a fiduciary, we are obligated to seek out the best execution of client transactions for accounts that we manage. In general, the execution of securities transactions is at a total cost to process each transaction and are the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker-dealers, research platforms, and execution services. Accordingly, while we consider competitive rates, we do not necessarily obtain the lowest possible commission rates for account transactions. Therefore, the overall services provided by unaffiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You can pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us.

Research and Other Benefits

Products & Services Available to Us 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 with access to its 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. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least $10 million of our clients' assets in accounts at Schwab.

Services that Benefit Client

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 clients or their account(s).

Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but cannot directly benefit the client or their account(s). 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 can 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:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

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 can provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab can also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers.

Directed Brokerage

We do not recommend, request, require, or permit clients to direct us to executed transactions through a specific broker-dealer other than those we recommend.

Trade Aggregation

We attempt to allocate trade executions in the most equitable manner possible, taking into consideration current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation. We can aggregate orders in order to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients' differences in prices and commission or other transaction costs. In aggregated orders, transactions

will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

ITEM 13 Review of Accounts

Periodic Reviews

We review asset management accounts no less than annually. These accounts will be reviewed by the CCO. Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and performance, as well as the general economic outlook and current investment trends.

Financial plans created utilizing our ongoing financial planning services will be reviewed at least annually by Rea Financial. We can make adjustments to the Client's financial plan and/or the Client's objectives.

Project-based financial planning clients are provided a one-time plan or consulting session and receive no additional reviews unless a new financial planning and consulting agreement is executed.

Review Triggers

We conduct periodic reviews to evaluate the current market, economic and political events and how these can affect client accounts. Additional reviews can be triggered by these events or by events in the client's financial or personal status.

Regular Reports

Asset management clients will receive advisory account reports no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodians and notify us of any differences. Clients are encouraged to phone or e-mail us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

Financial plans created utilizing our ongoing financial planning services will receive status updates and/or reports during plan reviews. We can make adjustments to the Client's financial plan and/or the Client's objectives.

Project-based financial planning and consulting clients are provided a one-time written financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

ITEM 14 Client Referrals and Other Compensation

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 whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. [In some cases, a recipient of such payments is an affiliate of ours or another party which has some pecuniary, financial, or other interests in us (or in which we have such an interest). You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

While we do not have any current arrangements with any TPMMs, at such time that we do, we will receive compensation based on the service they provide to our clients. Any such compensation arrangement will be formalized in an agreement and disclosed to our clients.

Please see Item 12 Brokerage Practices for information regarding the benefits we receive from our custodian.

ITEM 15 Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

ITEM 16 Investment Discretion

Discretionary Authority for Trading

If you are participating in our asset management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and can also implement trades on a discretionary basis.

When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold, or exchanged and a number of securities that can be bought, sold, or exchanged for your portfolio without obtaining your consent for each transaction.

On a case-by-case basis, you can place reasonable restrictions on the types of investments that can be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

ITEM 17 Voting Client Securities

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information. Although we do not vote your proxies, you can contact us if you have a question about a particular proxy.

ITEM 18 Financial Information

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have we been historically, in a financially precarious situation or the subject of a bankruptcy petition.