

**Item 1 – Cover Page**

**Fierston Financial Group, Inc.**

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**ADV Part 2A, Brochure**

**March 14, 2022**

This Brochure provides information about the qualifications and business practices of Fierston Financial Group, Inc. (“FFG”). If you have any questions about the contents of this Brochure, please contact us at 860-521-2100 or [seth@fierston.com](mailto:seth@fierston.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.

Fierston Financial Group, Inc. is a registered investment adviser. Registration of an Investment Adviser or references to FFG being “registered” does not imply any level of skill or training. Additional information about Fierston Financial Group, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since the February 22, 2021 annual amendment filing, there have been no material changes to this Disclosure Brochure. Certain non-material changes have been made at Item 4 regarding retirement account rollovers, custodial fees and retirement plan management.

ANY QUESTIONS: FFG’s Chief Compliance Officer, Seth Fierston, remains available to address any questions about this ADV Part 2A Brochure.

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## **Item 4 – Advisory Business**

Fierston Financial Group, Inc. (“FFG”) is a Connecticut corporation formed on January 9, 1989 and registered as an investment adviser with the SEC in 1989. Seth B. Fierston and Brian S. Fierston are FFG’s principal owners.

FFG provides its investment services based on the clients' individual goals and circumstances. FFG manages client portfolios consisting primarily of no load (or load waived) mutual funds, including mutual funds covering fixed income asset classes.

As of December 31, 2021, FFG had \$835,963,837 in regulatory assets under management on a discretionary basis.

### **PORTFOLIO MANAGEMENT SERVICES**

Before engaging FFG to provide investment advisory services, new clients will be required to enter into an Investment Advisory Agreement with FFG setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

FFG provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, FFG develops a client's investment profile and creates and manages a portfolio based on that profile. Clients may, at any time, impose reasonable restrictions in writing upon FFG’s advisory services. FFG will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., conservative, balanced, or aggressive).

FFG will typically create a portfolio consisting primarily of no-load (or load waived) mutual funds. In limited circumstances, FFG’s client portfolios may also contain other securities, including but not limited to, exchange traded funds (“ETFs”), individual exchange-traded equity securities (stocks), fixed income securities, U.S. government bonds, agency bonds, municipal securities, certificates of deposit and cash or cash equivalents. FFG will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The mutual funds will be selected based on any or all of the following criteria: the fund's performance history; the asset class in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure.

As more fully detailed in Item 8 below, portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf. Clients will retain individual ownership of all securities.

As part of the portfolio management process, or upon specific client request, FFG may provide general financial planning and consulting services without additional charge. While FFG believes that it is important for the client to address financial planning issues on an ongoing basis, FFG's investment management fee will remain the same regardless of whether the client addresses those issues with FFG. If FFG determines in its sole discretion that the client seeks extraordinary planning and/or consultation services FFG may offer to charge for such additional services under a separate, stand-alone Financial Planning and Consulting Agreement as described below.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, FFG may agree to provide financial planning or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Before engaging FFG to provide stand-alone planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with FFG setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before FFG commences services.

### **MISCELLANEOUS**

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. FFG does not serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal advice, accounting advice, or insurance implementation services. Accordingly, FFG does not prepare estate planning documents, tax returns or sell insurance products. Unless specifically agreed in writing, neither FFG nor its representatives are responsible to implement any financial plans or financial planning advice, provide ongoing financial planning services, or provide ongoing monitoring of financial plans or financial planning advice. The client is solely responsible to revisit the financial plan or financial planning advice with FFG, if desired. The client retains absolute discretion over all financial planning and related implementation decisions, and is free to accept or reject any recommendation from FFG and its representatives. FFG's financial planning and consulting services are completed upon communicating its recommendations

to the client. To the extent requested by a client, FFG may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are under no obligation to engage the services of any recommended professional, who shall be solely responsible for the quality and competency of the services they provide. If the client engages any unaffiliated recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived.

Retirement Plan Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If FFG recommends that a client roll over their retirement plan assets into an account to be managed by FFG, such a recommendation creates a conflict of interest if FFG earns a new (or will increase its current) advisory fee as a result of the rollover. If FFG provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), FFG is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to rollover retirement plan assets to an account managed by FFG, whether it is from an employer's plan or an existing IRA. FFG'S Chief Compliance Officer, Seth B. Fierston, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by a rollover recommendation.

Availability of Mutual Funds and Exchange Traded Funds. While FFG may allocate investment assets to mutual funds and ETFs that are not available directly to the public, FFG may also allocate investment assets to publicly-available mutual funds and ETFs that the client could purchase without engaging FFG as an investment adviser. However, if a client or prospective client determines to purchase publicly-available mutual funds or ETFs without engaging FFG as an investment adviser, the client or prospective client would not receive the benefit of FFG's initial and ongoing investment advisory services such as determining which funds are most appropriate to the client's financial condition, the objectives for management of that asset, and whether to trade or rebalance the funds on an ongoing basis. All fees imposed by the respective mutual funds and ETFs are separate from, and in addition to, FFG's portfolio management fee as described at Item 5 below.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by FFG) will be profitable or equal any specific performance levels. Please refer to Item 8 for a more detailed description.

Portfolio Trading Activity / Inactivity. As part of its investment advisory services, FFG will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when FFG determines that trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

Cybersecurity Risk. The information technology systems and networks that FFG and its third-party service providers use to provide services to FFG's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in FFG's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and FFG are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although FFG has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that FFG does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Aggregation Platforms. FFG may provide its clients with access to aggregation services available through various platforms ("Platforms"). Collectively, the Platforms allow a client to view their complete asset allocation, including those assets that FFG does not manage (the "Unmanaged Assets"). FFG does not provide investment management, monitoring, or implementation services for the Unmanaged Assets. Therefore, FFG shall not be responsible for the investment performance of the Unmanaged Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Unmanaged Assets, and not FFG,

shall be exclusively responsible for such investment performance. The client may choose to engage FFG to manage some or all of the Unmanaged Assets under the terms and conditions of an Investment Advisory Agreement between FFG and the client. The Platforms may also provide access to other types of information and applications, including financial planning concepts and functionality, which should not be construed as services, advice, or recommendations provided by FFG. FFG shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the Platforms without FFG's assistance or oversight.

**Trustee Directed Plans.** FFG may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, FFG will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). FFG will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.

**Custodian Charges-Additional Fees.** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, FFG generally recommends that Charles Schwab and Co, Inc. ("*Schwab*") serves as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab*, do not currently charge fees on individual equity transactions, others do). These fees/charges are in addition to Registrant's investment advisory fee at Item 5 below. FFG does not receive any portion of these fees/charges.

**Margin / Securities Based Loans.** Upon client request, FFG may recommend that a client establish a margin loan or a securities-based loan (collectively, "SBLs") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. Unlike a traditional real estate-backed loan, an SBL has the potential benefit of enabling borrowers to access funds in a shorter time period, providing greater repayment flexibility, and certain tax benefits. Clients interested in learning more about the potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks,

including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts.

If FFG recommends that a client apply for an SBL instead of selling securities that FFG manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which FFG's investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by FFG. Likewise, the same ongoing conflict of interest is present if a client determines to apply for an SBL on their own initiative. These ongoing conflicts of interest would persist as long as FFG has an economic disincentive to recommend that the client terminate the use of SBLs. Clients are therefore reminded that they are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although FFG seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender as applicable, and contact FFG's Chief Compliance Officer with any questions regarding the use of SBLs.

Client Obligations. In performing its services, FFG shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Clients remain responsible to promptly notify us if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our previous recommendations or services.

Disclosure Statement. A copy of FFG's written Brochure as set forth on Part 2 of Form ADV and Client Relationship Summary as set forth in Form CRS shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

## **Item 5 – Fees and Compensation**

### **PORTFOLIO MANAGEMENT SERVICES**

The annual fee for portfolio management services will typically be charged as a percentage of assets under management at the tiered rate of 1.00% per year for assets up to \$1,000,000 and 0.75% per year for assets above \$1,000,000.

FFG's portfolio management services fee will be charged quarterly in arrears based on the account value last day of the previous quarter, prorated for inflows and outflows that result in at least a \$25 increase or decrease in the amount of the quarterly fee. Clients may elect to be billed directly for fees or to authorize FFG to directly debit fees from their accounts. At FFG's discretion, the annual fee for portfolio management services may be charged on an hourly basis ranging from \$100 to \$500 per hour or on a fixed fee basis.

A minimum of \$1,000,000 of assets under management is required for Portfolio Management Services. This account size may be negotiable under certain circumstances. FFG may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

FFG may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. FFG's planning and consulting fees are negotiable, but FFG generally charges between \$1,000 and \$5,000 on a fixed fee basis, or between \$100 and \$500 per hour on an hourly basis, depending upon the level, complexity, and scope of the services required and the professional rendering the services.

## **GENERAL INFORMATION ABOUT FEES**

In certain circumstances, all fees and account minimums may be negotiable. FFG has fee arrangements with preexisting clients for portfolio management services, which differ from the above fee schedule. As result of the above, similarly situated clients could pay different fees and similar advisory services may be available from other investment advisers for similar or lower fees.

A client agreement may be canceled at any time, by either party, for any reason. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

All fees paid to FFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. The client should review both the fees charged by the funds and the fees charged by FFG to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

In addition to FFGs advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. Such fees include, but are not limited to, transaction charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to FFG's fee; and FFG shall not receive any portion of these commissions, fees, and costs.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

FFG does not charge any performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of client assets).

## **Item 7 – Types of Clients**

FFG offers a combination of advisory services, where appropriate, to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other business entities. A minimum of \$1,000,000 of assets under management is required for Portfolio Management Services. This account size may be negotiable under certain circumstances. FFG, in its sole discretion, may also charge a lesser investment management fee and/or reduce or waive its aggregate relationship minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees and similar advisory services may be available from other investment advisers for similar or lower fees.

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

FFG's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. FFG's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing. FFG recommends diversified portfolios, principally containing actively managed and passive, open end mutual funds to implement this investment strategy.

Although all investments involve risk, FFG's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment in fixed income mutual funds. FFG's investment philosophy is designed for investors who desire a buy and hold strategy. FFG does not recommend frequent trading, which can increase brokerage and other costs and taxes.

Clients may hold or retain other types of assets as well, but FFG will not manage or supervise such assets (i.e., Unmanaged Assets). Unmanaged Assets will be marked as such on statements prepared by FFG. If a client has any concerns about whether a security is an Unmanaged Asset or a managed asset, they should contact FFG.

FFG's strategies do not utilize securities that FFG believes would be classified as having any unusual risks.

## **Analysis of a Client's Financial Situation**

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, FFG relies on an analysis of the client's financial goals and objectives, current and estimated future resources, and tolerance for risk. Based on an analysis of the above factors, FFG will devise an allocation plan, which may include the allocation of client assets among various FFG strategies. These strategies will typically be based on various asset classes and investment categories, including passive equity, active equity, taxable bond, municipal bond, and alternative investment strategies. FFG's investment strategies are not models. Therefore, even if a client's account is allocated to a particular strategy, the implementation of such strategy may vary across client accounts, based on various factors, including those detailed below.

The aforementioned strategies serve as the "building blocks" of a client's account allocation. While FFG will typically seek to maintain consistency when applying the same investment strategy across multiple client accounts, each client account will be individually analyzed for account composition, tax implications, costs, and other factors when allocating to a particular strategy and when implementing that strategy in a client account. This means that deviations from a core strategy may occur for some clients, particularly when FFG makes changes to a strategy's holdings or weightings.

## **Risk of Loss**

**Investing in securities involves risk of loss that clients should be prepared to bear.**

Past performance is no guarantee of future results. All investments present the risk of loss of principal – the risk that the value of securities (e.g., mutual funds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds used by FFG may include funds invested in domestic and international equities, including real estate investment trusts (REITs), domestic and international fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Fixed income securities may include investment grade corporate bonds, high yield bonds, municipal bonds, United States government bonds, developed country international bonds, and emerging market bonds. Mutual fund shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds currently used in FFG's investment strategies are: small capitalization funds, and international funds.

Certain funds used by FFG may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks are generally even greater with investments in emerging markets.

More information about the risks of any particular mutual fund, including information about the risks associated with the specific market sectors, can be found in the fund's prospectus. The following provides a short description of some of the underlying risks associated with the types of investments that FFG uses or recommends:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be

affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

## **Item 9 – Disciplinary Information**

FFG does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

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

Neither FFG, nor its representatives, are registered or have an application pending to register: as a broker-dealer or a registered representative of a broker-dealer; as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing. FFG does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person. FFG does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## **Item 11 – Code of Ethics**

FFG has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics stresses that no person employed by FFG shall prefer his/her own interests to those of advisory clients.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of FFG must acknowledge the terms of the Code of Ethics annually, or as amended.

Neither FFG nor its employees recommend, buy, or sell any securities for client accounts in which it has a material financial interest. FFG's employees and persons associated with FFG are required to follow FFG's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FFG may trade for their own accounts in securities which are recommended, bought, or sold for FFG's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of FFG will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that the purchase and sale of these securities by employees would not materially interfere with the best interest of FFG's clients. Mutual funds are treated as exempt transactions.

In addition, the Code requires pre-clearance of some transactions. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between FFG and its clients. Clients or prospective clients may request a copy of the Code of Ethics by contacting FFG's Chief Compliance Officer, Seth B. Fierston.

## **Item 12 – Brokerage Practices**

### **Brokerage Practices**

Upon client request, FFG generally recommends that investment advisory accounts be maintained with Schwab as broker-dealer/custodian. Before engaging FFG to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with FFG setting forth the terms and conditions under which FFG shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Depending on which custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing.

Factors that FFG considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with FFG, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by FFG's clients (to the extent that such transaction fees and commissions are payable) shall conform to FFG's duty to seek best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where FFG determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although FFG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, FFG's investment advisory fee.

### **Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, FFG receives from Schwab (or could receive from other broker-dealer/custodians, unaffiliated investment managers, vendors, investment platforms, and/or product/fund sponsors) without cost (and/or at a discount) support services and/or products, certain of which assist FFG to better monitor and service client accounts maintained at such institutions. The support services that FFG receives can include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or free consulting services,

discounted and/or free travel and attendance at conferences, meetings, and other educational and/or social events (which can also include transportation and lodging), marketing support, computer hardware and/or software and/or other products used by FFG in furtherance of its investment advisory business operations. As referenced above, some of the support services and/or products that FFG can receive may assist FFG in managing and administering client accounts. Others do not directly provide such assistance, but rather assist FFG to manage and further develop its business enterprise. The receipt of these support services and products presents a conflict of interest, because FFG has the incentive to recommend that clients utilize Schwab as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. However, FFG's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by FFG to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. FFG's Chief Compliance Officer, Seth B. Fierston, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflicts of interest presented.

Directed Brokerage. FFG generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and FFG will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by FFG. As a result, a client should expect to pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs FFG to effect securities transactions for the client's accounts through a specific broker-dealer, the client acknowledges that such direction will generally cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through FFG. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Order Aggregation. The vast majority of transactions effected by FFG for client accounts are open-end mutual funds. Transactions for each client account generally will be effected independently, unless FFG decides to purchase or sell the same securities for several clients

at approximately the same time. FFG may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among FFG’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. FFG shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13 – Review of Accounts**

While the underlying securities within Portfolio Management Services accounts are continuously monitored, the accounts are reviewed at least quarterly by Brian S. Fierston or Seth B. Fierston, each Co-Presidents of FFG.

Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, or the political / economic environment. In addition to the statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer, FFG provides quarterly reports summarizing account performance, balances and holdings. FFG's principals and advisory representatives are also available to consult with the client and meetings can be scheduled to address client questions.

### **Item 14 – Client Referrals and Other Compensation**

As referenced in Item 12 above, FFG receives certain economic benefits from Schwab including support services or products without cost or at a discount. FFG’s clients do not pay more for investment transactions effected and/or assets maintained at Schwab as result of this arrangement. There is no corresponding commitment made by FFG to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements. FFG’s Chief Compliance Officer, Seth B. Fierston, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflicts of interest presented.

FFG does not engage solicitors, nor does it compensate any person or entity for client referrals.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from Schwab, a qualified custodian (or any other qualified custodian maintaining client assets), that holds and maintains client's investment assets.

FFG urges clients to carefully review such statements and compare such official custodial records to the account statements that FFG provides. FFG's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

FFG engages in practices and services on behalf of its clients that require disclosure at ADV Part 1, Item 9. Some of the practices and services subject the affected account(s) to an annual surprise CPA examination in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940. In addition, certain clients have signed asset transfer authorizations which permit the qualified custodian to rely upon instructions from FFG to transfer client funds to "third parties." These arrangements are also reflected at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination. FFG's Chief Compliance Officer, Seth B. Fierston, remains available to address any questions that a client or prospective client may have regarding custody related issues.

## **Item 16 – Investment Discretion**

FFG requests discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Any limitations / restrictions on this discretionary authority shall be made in writing and provided to FFG by the client. Clients may change/amend these limitations /restrictions as required. Such amendments must be submitted in writing.

## **Item 17 – Voting Client Securities**

Advisory clients may delegate their proxy voting authority to FFG. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case FFG may consult with clients as requested. When FFG is given discretion to vote the proxies on behalf of its clients, it will vote those proxies in the best interests of its clients and in accordance with FFG's established policies and procedures.

FFG will only vote proxies for securities it “manages” for clients pursuant to its discretionary authority and not any “Unmanaged Assets.” Since FFG does not manage individual stocks that are held in client accounts, the proxies for these securities will not be voted by FFG.

Clients who maintain individual securities in their accounts with FFG have three options: 1) FFG can set up a separate account for the client to hold the individual securities and code the account so that the proxies are sent to the client; 2) FFG can change the existing coding on their account so that the client is responsible for voting the proxies for all of the assets held in the account; or 3) the client can delegate the responsibility of voting the proxies to FFG, knowing that FFG will not be voting the proxies of their individual securities.

If FFG becomes aware of a material conflict of interest, which might reasonably bring into question FFG's objectivity in voting a client's proxy, FFG will inform any affected client of that conflict in advance and mutually agree upon an acceptable manner of handling the conflict. FFG will not vote a proxy involving a material conflict of interest unless the client has approved FFG's actions in advance.

Clients may request, in writing, information on how proxies for their shares were voted. If any client requests a copy of FFG's complete proxy policies and procedures or how FFG voted proxies for his/her account(s), FFG will promptly provide such information to the client.

FFG will not be responsible and each client has the right and responsibility to take any actions with respect to any legal proceedings, including without limitation, bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, including with respect to transactions, securities or other investments held in the client's account or the issuers thereof. FFG is not obligated to render any advice or take any action on a client's behalf with respect to securities or other property held in the client's account, or the issuers thereof, which become the subject of any legal proceedings, including without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the account, or the issuers thereof, become subject. In addition, FFG is not obligated to initiate or pursue any

legal proceedings, including without limitation, shareholder litigation, on behalf of a client's account, including with respect to transactions, securities or other investments held or previously held, in the client's account or the issuers thereof. Clients may obtain a copy of FFG's complete proxy voting policies and procedures by contacting FFG's Chief Compliance Officer, Seth B. Fierston.

## **Item 18 – Financial Information**

FFG does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. FFG is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. FFG has not been the subject of a bankruptcy petition.

ANY QUESTIONS: FFG's Chief Compliance Officer, Seth B. Fierston, remains available to address any questions about this ADV Part 2A, Brochure.