Brochure – Part 2A of Form ADV

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This brochure ("Brochure") provides information about the qualifications and business practices of Colton Groome Financial Advisors, LLC ("CGFA"). If you have any questions about the contents of this Brochure, please contact us at (828) 252-1816 or info@coltongroome.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

Additional information about CGFA is available on the SEC's website at **www.AdviserInfo.sec.gov**.

Item 2 - Material Changes

This Brochure is dated March 21, 2021. The last annual update to Form ADV Part 2 was dated March 31, 2020. If you would like another copy of this Brochure, please download it from the SEC website as indicated on the cover page, or you can contact CGFA at (828) 252-1816. You can also get a copy of this Brochure from our website: www.coltongroome.com.

The following are material changes to the business of CGFA:

- CGFA now also recommends the custodian Fidelity Brokerage Services LLC (Item 12).

Item 3 - Table of Contents **Page**

Item 1 - Cover Page 1
Item 2 - Material Changes 2
Item 3 - Table of Contents 3
Item 4 - Advisory Business 4
Item 5 - Fees and Compensation 8
Item 6 - Performance-Based Fees and Side-By-Side Management 11
Item 7 - Types of Clients 12
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss 12
Item 9 - Disciplinary Information 16
Item 10 - Other Financial Industry Activities and Affiliations 16
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 18
Item 12 - Brokerage Practices 19
Item 13 - Review of Accounts 22
Item 14 - Client Referrals and Other Compensation 22
Item 15 - Custody 22
Item 16 - Investment Discretion 23
Item 17 - Voting Client Securities 23
Item 18 - Financial Information 23

Item 4 - Advisory Business

General Information

Colton Groome Financial Advisors, LLC (formerly "CG Advisory Services, LLC") was founded in 2003. CGFA is a wholly-owned subsidiary of Groome Holdings, LLC (doing business as Colton Groome & Company, and hereinafter referred to as "CG"), which is managed by George M. Groome, G. Tatum Groome and Matthew L. Groome, who collectively have more than 65 years of experience in the financial services industry.

CGFA offers the following services, each of which is more fully described below:

- Investment Advisory Services;
- Financial Planning Services; and
- Retirement Plan Consulting Services.

Investment Advisory Services

Financial Profile and Investment Plan

CGFA provides discretionary and non-discretionary Investment Advisory Services to individuals and high net worth individuals, retirement plans (including defined contribution plans, 401(k) plans, 403(b) plans, 457 plans and profit-sharing plans) and their participants, charitable organizations, trusts, estates, endowments, foundations, corporations and other business entities.

At the outset of each client relationship, CGFA spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. Based on its reviews, CGFA 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"); and
- the client's investment objectives and guidelines (the "Investment Plan")

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments CGFA will make or recommend on behalf of the client based on CGFA's own research and analysis in order to meet those goals. The elements of the Financial Profile and the Investment Plan are discussed periodically with each client, but are not necessarily written documents. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by CGFA based on updates to the client's financial or other circumstances. It is the responsibility of the client to notify CGFA of any changes to their financial situation or objectives or any other factors that may impact the client's Financial Profile.

Portfolio Management

To implement the client's Investment Plan, CGFA will manage the client's investment portfolio on a discretionary or a non-discretionary basis pursuant to an investment advisory agreement with the client. As a discretionary investment adviser, CGFA will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may request certain reasonable restrictions on CGFA 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, with written notice to CGFA. Each client should note, however, that restrictions, if accepted by CGFA, 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 CGFA.

Separate Account Managers

CGFA may recommend or select one or more third party investment advisers or model portfolio providers (each a "Manager"), when appropriate and in accordance with the client's Investment Plan. Having access to various Managers offers a wide variety of manager styles, and provides the opportunity to utilize more than one Manager for the portfolio. Factors that CGFA considers in recommending/selecting Managers generally includes the client's stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing and research.

The Manager(s) may be granted discretionary or non-discretionary trading authority to provide investment supervisory services for all or a portion of the portfolio. Other Managers may be engaged to provide research and trading signals to CGFA in connection with certain model portfolios offered by the Manager. Where a Manager has been engaged to provide non-discretionary investment advice, CGFA will typically receive the Manager's recommendations and thereafter effect trades on behalf of the Portfolio as determined by CGFA; however, CGFA may allow the Manager to effect trades in the Portfolio if CGFA determines it is in the client's best interests to do so. Although, CGFA retains the authority to terminate the Manager's relationship or to add new Managers without specific client consent, clients are typically consulted prior to the engagement or termination of any Manager when it is practicable to do so.

CGFA may utilize Managers in the following ways: (i) through one or more direct relationships, where CGFA contracts directly with a Manager to provide sub-advisory, research or signal services to a client portfolio, or (ii) through one or more Unified Managed Account Platforms (each, a "UMA Platform"), where CGFA contracts with the UMA Platform to gain access to the model portfolios of the various Managers available on the UMA Platform. However, under certain circumstances, the client will select one or more Managers recommended by CGFA and the client, and not CGFA, will enter into a separate agreement which each Managers.

- <u>Direct Relationships</u>. When CGFA engages a Manager directly to provide discretionary or non-discretionary advisory services for a client portfolio, it will enter into a Sub-Advisory Agreement with the Manager on behalf of all or a portion of a client's portfolio. The Manager will then have either discretionary authority to manage the client's portfolio (or portion thereof), or the Manager will make recommendations to CGFA on a non-discretionary basis, in each case in accordance with the Manager's strategy that CGFA has selected for the client. Other Managers may be engaged pursuant to a research, signal or model portfolio agreement, pursuant to which the Manager will provide research and trading signals to CGFA in connection with certain model portfolios offered by the Manager.

- UMA Platforms. A UMA Platform is a program sponsored by a third party investment adviser (a "UMA Manager") that provides access to a variety of model portfolios ("Strategies") created and managed by Managers included on the UMA Platform, which Managers may be independent of or affiliated with the UMA Manager. Although the Managers are typically registered investment advisers, Strategies are not tailored to the particular needs or circumstances of a client. Instead, the Strategies are provided by the Managers to the UMA Platform as impersonal, generalized, non-discretionary advice that the UMA Manager will implement as the UMA Manager deems appropriate pursuant to the UMA Manager's discretion. When CGFA uses a UMA Platform for a client account, CGFA will allocate all or a portion of the client's portfolio to one or more Strategies selected for the client. The UMA Manager will then monitor the client portfolio and implement the Strategies through the UMA Platform as directed by the Managers.

With respect to assets managed by a Manager, whether directly through a sub-advisory or other agreement or through a UMA Platform, CGFA's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio. Clients will be provided each Manager's and UMA Platform's Form ADV Part 2A Brochure, which contains important information regarding the strategies, fees and risks of the Manager or UMA Platform, upon request.

CGFA is charged fees by Managers and UMA Platforms that are engaged on behalf of a client (collectively, "Manager Fees"). Manager Fees are typically calculated by applying the Manager's or UMA Platform's fee schedule to the amount of client assets serviced by the Manager or UMA Platform; however, certain Managers or UMA Platforms may charge flat fees. Any applicable Manager Fees will be calculated separately from, and added to, CGFA's investment advisory service fees ("Investment Advisory Service Fees").

CGFA's fees do not include: custodial or transaction costs paid to the client's custodian, brokers or other third-party consultants; fees or taxes on brokerage accounts and securities transactions; wire fees; or fees and expenses charged by mutual funds, exchange traded funds ("ETFs") or other investment pools to their shareholders (collectively, "Funds") (generally including a management fee and fund expenses, as described in each Fund's prospectus or offering materials). Clients should review the statements they receive from their custodian carefully, and promptly notify CGFA of any discrepancies. Please see ***Item 5 – Fees and Compensation*** for additional information.

Certain clients may request that CGFA hold assets in a client's portfolio that are not subject to management by CGFA as an accommodation to the client. If CGFA agrees to hold such assets in a client portfolio, CGFA typically will not charge a management fee with respect to such assets. Clients that enter into such arrangements with CGFA should understand that they will not receive the benefits of CGFA's management services with respect to the unmanaged asset, which means that CGFA will have no obligation to manage, make any recommendation with respect to, monitor or otherwise consider any such asset, even during periods of adverse market conditions or when CGFA otherwise believes that such actions or recommendations are likely to benefit the client or avoid adverse consequences. Clients will remain responsible for any custodial, transaction or other third-party fees and expenses associated with such unmanaged assets.

Services to Retirement Plan Participants

CGFA may also provide investment advice directly to plan participants, on a non-discretionary basis. In such a case, CGFA will provide participants with diversification strategies and investment recommendations, and the participants will have the sole responsibility to execute the transactions. In some cases, CGFA may, after approval of the client, instruct the record-keeper or third-party administrator to execute recommendations on the client's behalf.

From time to time, CGFA will also meet with plan participants to provide general investment education, which may include basic information regarding insurance products, annuities, inflation, risk, diversification and asset allocation.

Financial Planning Services

CGFA also offers Financial Planning Services to clients. Financial Planning Services are typically provided in conjunction with the management of a client's portfolio, in connection with the creation of the client's Financial Profile and Investment Plan but may be offered as a stand-alone service for a separate fee. CGFA currently offers four levels of Financial Planning Services, "Concierge", "Securing Retirement", "DIY (Do it Yourself)" and "Investment Only", which include varying levels of services. Information regarding each service level is available from CGFA but is subject to change.

CGFA's Financial Planning Services normally address areas such as general cash flow planning, retirement planning, education planning, "windfall" planning, estate and wealth transfer planning, special needs planning, asset management, tax planning, insurance needs analysis and asset allocation. The goal of this service is to assess the financial circumstances of the client in order to develop a financial plan for the client. To create this plan, CGFA will typically gather information on the client's financial data and goals, which may include information on the client's family, employment, property, investments, businesses, insurance, income, expenses, savings, retirement goals, risk tolerance and the client's objectives related to the foregoing. It is however the responsibility of the client to notify CGFA of any changes to their financial situation or objectives or any other factors that could impact the client's financial plan.

In all matters, CGFA's Financial Planning Services are analytical and advisory only and do not include legal, tax, accounting or other professional services unless specifically stated. CGFA's representatives can work with a client's legal, accounting, tax, insurance or other professional advisors to ensure the coordination of all pieces involved in the financial planning and/or estate planning process at the client's request. The financial plan may include specific financial and investment strategies as well as specific product recommendations, including equity, fixed income, insurance products, as well as asset allocation recommendations. At no time, however, is the client under any obligation to implement (with CGFA or with any other firm) any of the suggestions outlined in the financial plan. Rather, implementation of a client's financial plan is solely at the client's discretion.

Certain information provided in connection with Financial Planning Services may include educational materials regarding the effect of taxes, which information is general in nature. However, clients should be aware that CGFA does not render tax, legal or accounting advice, and that CGFA does not prepare any legal documents for the implementation of any of its recommendations. Nothing recommended or outlined by CGFA should be used by a client as a substitute for competent legal, accounting or tax counsel provided by the client's personal attorney, accountant and/or tax advisor.

As part of its Financial Planning Services, CGFA can provide insurance reviews. These reviews are general in nature and are intended to provide a client with an understanding of the general amount of insurance coverage recommended for persons in comparable financial situations. Unless otherwise expressly requested by the client and agreed to by CGFA, these reviews will not include any recommendations about the client's property or casualty policies (*e.g.*, homeowner's, automobile and similar policies). Clients should be aware that risk management through the use of insurance coverage is important, and CGFA strongly recommends that each client review each area of potential and/or actual coverage need with the client's insurance agent to ensure that adequate coverage exists.

Retirement Plan Services

CGFA offers discretionary and non-discretionary consulting services to 401(k) and other employer-sponsored retirement plans ("Retirement Plan Services"). When engaged to provide Retirement Plan Services, CGFA will typically work with the plan trustees to provide one or more the following initial and ongoing services:

- Establishment of an Investment Policy Statement
- Analysis, review, and recommendation of investment selections
- Annual plan review
- Attendance at annual investment committee meeting
- Coordination of plan participant communication
- Educational meetings for employees
- Continuing individual participant support

The actual terms of any engagement, including the Retirement Plan Services to be provided, will be negotiated between CGFA and the plan. As of 12/31/2019 CGFA provided retirement plan consulting services to plans with assets of $205,775,556.

General Consulting Services

In addition to the foregoing services, CGFA provides general consulting services to clients in certain cases. These services are typically provided in conjunction with Financial Planning Services or Retirement Plan Consulting Services, as and when requested by the client and agreed to by CGFA.

CGFA will introduce a third-party service provider to assist the client with participation in securities class action lawsuits pertaining to the assets under CGFA's management. CGFA would then provide trade data and other necessary information to the third-party service provider, which would research class action cases and complete and calculate the applicable proof of claim. The third-party service provider would then file the applicable proof of claim with the claims administrator, verify payment received from the claims administrator and distribute the payment to the client minus a twelve and one-half percent (12.5%) contingency fee of securities class action settlements collected. Otherwise, if clients choose not to engage in the class action monitoring, filing, and recovery services provided by the third-party service provider, clients will be exclusively responsible for voting in all legal proceedings or other type events pertaining to the assets under CGFA's management including, but not limited to, class action lawsuits.

Type and Value of Assets Currently Managed

As of 12/31/2020 CGFA had **$175,082,485** in regulatory assets under management for its clients on a discretionary basis and **$13,811,944** In regulatory assets under management for its non-discretionary clients.

Item 5 - Fees and Compensation

General Fee Information

Investment Advisory Service Fees for certain clients may be subject to certain reductions at specified asset levels ("breakpoints"), as indicated below. CGFA may, in its discretion, take into account client assets that are managed or serviced by CGFA or other affiliates of CG that are not charged an asset-based fee (such as variable annuity products that pay a commission, which are not subject to an Investment Advisory Service Fee) when determining whether a client qualifies for a breakpoint. Clients with assets that pay a commission in lieu of an Investment Advisory Service Fee should be aware that breakpoints apply only to the Investment Advisory Service Fee, and not any commission.

Investment Advisory Service Fees paid to CGFA are exclusive of all account fees and transaction costs, including, without limitation, brokerage commissions, transaction fees, account fees, charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to CGFA are also separate and distinct from the fees and expenses charged by Funds (generally including a management fee and fund expenses, as described in each Fund's prospectus or offering materials). Any Manager Fees payable by CGFA to the Manager and/or UMA Platform (as applicable) in respect of the services provided to the client by the Manager or UMA Platform will be calculated separately from, and added to, CGFA's Investment Advisory Service Fees. The client should review all fees charged by Funds, brokers, CGFA and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Fees are normally debited directly from client account(s), unless other arrangements are made. Please see ***Item 12 - Brokerage Practices*** for additional information.

Portfolio Management Fees

Investment Advisory Service Fees are generally payable monthly, in advance, but CGFA has entered into alternate arrangements (such as billing quarterly or in arrears). Typically, Investment Advisory Service Fees are charged as a percentage of assets under management and are calculated at the close of each calendar month (or quarter, if applicable), but there may be instances where CGFA enters into flat-fee arrangements with certain clients on a case-by-case basis. If management begins after the start of a month (or quarter, if applicable), fees will be prorated accordingly.

Investment Advisory Service Fees are individually negotiated with each client. Factors considered in determining the Investment Advisory Service Fees charged generally include, but are not limited to: the scope of the services being provided; the complexity of the client's portfolio; assets to be placed under management; anticipated future assets; related accounts; portfolio style; account composition; or other special circumstances or requirements. Where CGFA has engaged a Manager or UMA Platform on behalf of a Client, any Manager Fees payable by CGFA to the Manager and/or UMA Platform (as applicable) in respect of the services provided to the client by the Manager or UMA Platform will be added to CGFA's Investment Advisory Service Fees. The specific Investment Advisory Service Fee schedule for any particular client will be identified in the investment advisory agreement between the client and CGFA, but the general range of Investment Advisory Service Fees (exclusive of Manager Fees) is as follows:

Tier of Portfolio Assets	**Fee Range**
First $1,000,000	0.90% - 0.99%
Next $1,500,000 ($1,000,001-$2,500,000)	0.80% - 0.87%
Next $2,500,000 ($2,500,001-$5,000,000)	0.70% - 0.76%
Next $2,500,000 ($5,000,001-$7,500,000)	0.50% - 0.56%
Next $2,500,000 ($7,500,001-$10,000,000)	0.40% - 0.46%
Above $10,000,000	0.25% - 0.31%

Certain legacy accounts are subject to different fee schedules, where the Investment Advisory Service Fees (exclusive of Manager Fees) can range from 0.40% to 1.25% per year. There is no minimum account size for Investment Advisory Services, but certain accounts may be subject to a minimum annual fee. CGFA may, at its discretion, make exceptions to any of the foregoing or negotiate special fee arrangements where CGFA deems it appropriate under the circumstances. Assets held in Cash Management Accounts ("CMAs"), or otherwise held as non-discretionary assets within a discretionary portfolio, are typically not included in the calculation of Investment Advisory Service Fees unless otherwise agreed between the client and CGFA. CGFA's Investment Advisory Service Fees are subject to change upon not less than 30 days' notice.

Either CGFA or the client can terminate their investment advisory agreement at any time, subject to any written notice requirements in the investment advisory agreement. In the event of termination, any paid but unearned Investment Advisory Service Fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to CGFA from the client will be invoiced or deducted from the client's account prior to termination. Managers and UMA platforms have their own policies regarding Manager Fees, descried below.

UMA Platforms and Manager Fees

As stated above, when one or more Managers or UMA Platforms are utilized, any Manager Fees payable by CGFA to such Managers and UMA Platforms will be charged to, and paid by, clients in addition to CGFA's Investment Advisory Service Fees. As a result, clients with portfolios managed in whole or in part by a Manager or that have engaged a UMA Platform will typically pay higher fees to CGFA than client portfolios not utilizing a Manager or UMA Platform. Manager Fees typically range between 0.12% and 0.50% per year for Managers and between 0.07% and 0.10% per year for UMA Platforms.

Fees charged to CGFA by Managers and UMA Platforms are disclosed to clients upon entering into an advisory agreement with CGFA, but are subject to change as determined by the applicable Manager or UMA Platform. Additionally, fees charged to clients will change as the allocation of Managers and/or UMA Platforms utilized by a client portfolio changes. Manager and UMA Platform fees are typically calculated by the Manager or UMA Platform using a daily weighted average account value for the quarter and paid quarterly, and because of this Management Fees may be charged less often than other Investment Advisory Service Fees. When CGFA engages a Manager for a client portfolio, the client grants CGFA the authority to deduct CGFA's Investment Advisory Service Fees (including Manager Fees) from the client's account and to remit the appropriate portion of the deducted fees to the Manager. Clients should review each custodial account statement and inform the Adviser promptly if the client believes that any Investment Advisory Service Fees have been charged in error.

Financial Planning Services Fees

When CGFA provides Financial Planning Services to non-corporate clients in connection with Investment Advisory Services, clients may not pay an additional fee for Financial Planning Services if the client's portfolio is of a certain size (typically at least $1,000,000 to qualify for "Securing Retirement" level Financial Planning Services and at least $2,500,000 to qualify for "Concierge" level Financial Planning Services). Clients with portfolios below $1,000,000 may qualify for "Investment Only" level Financial Planning Services and/or reduced financial planning service fees.

When CGFA provides Financial Planning Services to clients as a stand-alone service, CGFA's minimum planning fee is typically between $6,000 and $12,000 per year; however, this fee is negotiable at the sole discretion of CGFA. Fees are based on a combination of factors, which may include the service level being provided, the client's net worth and annual income, the complexity of the client's financial situation, the client's past history with CGFA and the client's overall business relationship with CGFA and its related companies. Annual Financial Planning Services fees are charged on a monthly basis, in advance. Clients generally pay fees by way of a recurring monthly charge to a credit card or a debit to an account of the

Client's choosing. No fees will be charged without prior written approval from the client. This approval will be considered effective until the client terminates their relationship with CGFA or until the client chooses in writing to pay in another manner.

Retirement Plan Consulting Services

CGFA charges fees for Retirement Plan Consulting Services on a flat-fee basis or calculated as a percentage of assets in the plan, up to 1.0% per year, and are typically calculated by the plan's custodian. Fees are typically charged quarterly, in arrears, but CGFA may enter into alternate arrangements. Fees charged for Retirement Plan Consulting Services are based on various factors, including: assets under management, number and size of contributions, service models selected, plan demographics, plan design and number of education days offered. The plan's sponsor will determine the source of the assets used to pay for CGFA's fee, which may include assets of the plan sponsor, plan participants or a combination of the two. Retirement Plan participants should check with their plan sponsor to determine whether CGFA's fees are paid from plan assets through deductions to plan participant accounts.

General Consulting Services

Fees for general consulting services are negotiated on an individual basis and will vary depending upon the specific needs of each client and the complexity of the consulting services. The specific fee charged for these services will be disclosed to the client in advance, and may be a flat fee, an hourly fee or a fee calculated as a percentage of client assets.

Other Compensation

Certain employees of CGFA are also licensed to sell brokerage and insurance products. In providing advisory services, these individuals may recommend the purchase of products under circumstances where they would be entitled to receive a commission or other compensation in the transaction.

Certain employees of CGFA are also registered representatives of Valmark Securities, Inc. (Akron, OH), a FINRA and SIPC member and registered broker-dealer. As such, these employees are entitled to receive brokerage commissions. As a result of this relationship, certain Valmark employees may have access to confidential information (*e.g.*, financial information, investment objectives, transactions, and holdings) about CGFA's clients, even if the client does not establish any account through Valmark Securities, Inc. Clients can contact CGFA for a copy of Valmark Securities, Inc.'s privacy policy.

No client will pay both an advisory fee to CGFA and a commission to an employee of CGFA or another CG affiliate on the same asset unless the client is notified in advance.

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

CGFA does not currently 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 CGFA has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

CGFA serves individuals, high net worth individuals, retirement plans (including defined contribution plans, 401(k) plans, 403(b) plans, 457 plans and profit sharing plans) and their participants, charitable organizations, trusts, estates, endowments, foundations, corporations and other business entities.

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

Methods of Analysis

CGFA uses a variety of methods of analysis in formulating its advice. Generally, CGFA employs one or more of the following investment processes for clients:

- **Asset Allocation** – CGFA develops a customized, strategic investment structure to meet clients' unique goals and objectives. CGFA works with clients to determine the appropriate asset allocation based on the client's objectives, constraints, risk tolerance and other factors.

- **Investment Manager Evaluation & Selection** – CGFA's Manager selection process begins with an understanding of the client's requirements, preferences and existing portfolio. CGFA conducts quantitative and qualitative evaluations of potential Managers. Quantitative analysis indicates what caused a Manager's performance, whereas qualitative analysis (including operational due diligence), illustrates the future potential of a Manager's performance.

- **Performance Measurement & Evaluation** – CGFA provides custom performance reports that illustrate a portfolio's performance over a variety of time periods. CGFA's analysis and reporting capabilities include Manager performance versus static or custom indices, asset allocation analysis, portfolio performance and attribution analysis, and manager universe comparisons. Additionally, CGFA compares client portfolios to a variety of industry data to help benchmark client portfolios to peers.

Investment Strategies

CGFA uses financial planning software that it licenses from eMoney Advisor, LLC (Conshohocken, PA) to gather and maintain facts about clients, analyze their current situation, evaluate alternative scenarios, make recommendations and monitor progress. Specifically, when providing investment portfolio analysis and advisory services, CGFA may apply any or all of the following analytical techniques and resources:

- Fundamental analysis;
- Modern Portfolio Theory;
- Risk Tolerance Questionnaire/Investment Policy Statement
- Morningstar Associates (Chicago, IL); and
- Other widely available research on the internet or software programs for additional information.

CGFA's primary investment strategy for client accounts is strategic asset allocation using passive and/or active Managers. This means that CGFA will use index Funds as well as actively managed Funds, third-party Managers or a combination of the foregoing. There is a preference for Managers who actively manage asset allocations using passive or index-based Funds. Portfolios may be diversified to control the risk associated with certain capital markets. The investment strategy for a specific client is based upon the client's Investment Plan.

CGFA offers investment advice with respect to a number of different assets classes, including, but not limited to: large-cap, mid-cap, small-cap and micro-cap assets; foreign and emerging market assets; fixed income investments, including investment grade, high yield (“junk bonds”), money market, stable value and municipal investments; MLPs and REITs; and asset allocation strategies, including value, growth, asset preservation, balanced and target-date strategies.

Retirement Plan Consulting Services

CGFA uses when appropriate analytical software that it licenses from the Retirement Plan Advisory Group (Aliso Viejo, CA) and Morningstar Associates to analyze and monitor investment choices in qualified and non-qualified executive deferred compensation programs.

Risk of Loss

While CGFA 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.

Below is a description of several of the principal risks that client investment portfolios face.

Market Risks. Market risk is the risk that the value of securities in a portfolio can decline due to daily fluctuations in the securities markets that are generally beyond CGFA’s or a Manager’s control. In a declining stock market, stock prices for all companies can decline, regardless of their long-term prospects.

Management Risks. While CGFA manages client investment portfolios or recommends one or more Managers based on CGFA’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 CGFA or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that CGFA’s or a Manager’s specific investment choices could underperform their relevant indexes. CGFA makes no guarantee regarding the investment performance of any client portfolio. Clients should understand that the investment performance and asset value of the client’s portfolio can and will fluctuate and that the portfolio may lose money.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While CGFA or a Manager performs due diligence on the companies in whose securities it invests, economic conditions are not within the control of CGFA or the Manager and no assurances can be given that CGFA or the Manager will anticipate adverse developments.

Risks of Investments in ETFs, Mutual Funds and Other Investment Pools. As described above, CGFA and any Managers may invest client portfolios in ETFs, mutual funds and other investment pools. Investments in 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, Funds’ success will be related to the skills of their particular managers and their performance in managing their Funds. Registered Funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

Risks Related to ETF NAV and Market Price. The market value of an ETF's shares may differ from its net asset value ("NAV"). This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when an ETF trades at a premium (creating the risk that a portfolio pays more than NAV for an ETF when making a purchase) or discount (creating the risks that the portfolio's value is reduced for undervalued ETFs it holds and that the portfolio receives less than NAV when selling an ETF).

Risks Related to Use of Investment Overlays. CGFA may select a Manager for a client that utilizes a risk mitigation overlay, which is not a guarantee against loss. Accounts with these risk mitigation components may lose money, including loss of principal. Investors should also note that when a risk mitigation strategy is deployed for an account (i.e., when it has caused an account to be hedged into fixed income exposure, whether partially or entirely), the account will not be fully invested in its original strategy, and accordingly, during subsequent periods of strong market growth, the account may underperform accounts that do not have such risk mitigation feature.

Risks Related to Alternative Investment Vehicles. From time to time and as appropriate, CGFA and any Managers may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

Large-Capitalization Company Risk. CGFA and any Managers may invest a portion of a client's portfolio in large-capitalization companies. Large-capitalization companies are generally more mature and may be unable to respond as quickly as smaller companies to new competitive challenges, such as changes in technology and consumer tastes, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Small-Capitalization Company Risk. CGFA and any Managers may invest a portion of a client's portfolio in small-capitalization companies. Investing in small-capitalization companies involves greater risk than is customarily associated with larger, more established companies. Small-capitalization companies frequently have less management depth and experience, narrower market penetrations, less diverse product lines, less competitive strengths and fewer resources than larger companies. Due to these and other factors, stocks of small-capitalization companies may be more susceptible to market downturns and other events, and their prices may be more volatile than larger capitalization companies. In addition, in many instances, the securities of small-capitalization companies typically are traded only over-the-counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. Because small-capitalization companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without an unfavorable impact on prevailing prices. Therefore, the securities of small-capitalization companies may be subject to greater price fluctuations. Small-capitalization companies are typically subject to greater changes in earnings and business prospects than larger, more established companies and also may not be widely followed by investors, which can lower the demand for their stock.

Equity Market Risks. CGFA and any Managers will generally invest portions of client assets directly into equity investments, primarily stocks, or into Funds that invest in the stock market. As noted above, while Funds 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. CGFA and any Managers may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in Funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through 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). CGFA and any Managers may invest portions of client assets into securities that are rated below investment grade (commonly known as "high yield" or "junk bonds"). Securities which are in the lower-grade categories generally offer a higher current yield than is offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, greater market risk and volatility, and greater liquidity concerns. These investments are generally considered to be speculative based on the issuer's capacity or incapacity to pay interest and repay principal.

Derivatives Risks. The use of derivative instruments requires special skills and knowledge of investment techniques that are different than those normally required for purchasing and selling stocks. If CGFA or a Manager uses a derivative instrument at the wrong time or incorrectly identifies market conditions, or if the derivative instrument does not perform as expected, these strategies may significantly reduce the profits of client accounts. Derivative instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. In addition, the cost of investing in such instruments generally increases as interest rates increase. In addition, investment in futures contracts creates leverage, which can magnify the potential for gain or loss and therefore amplify the effect of market volatility on client accounts. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Foreign Securities Risks. CGFA and any Managers may invest portions of client assets into securities of foreign issuers or issuers economically tied to countries outside the United States, or 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 United States. 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.

Emerging Markets Risk. In addition to the risks generally associated with investing in foreign securities, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders and securities markets that trade a small number of issues. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

Options Risks. CGFA and any Managers may invest portions of client assets into options, including purchasing or writing put and call options. Investments in options involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the option may not correlate perfectly with the underlying asset, rate or index. Option prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. It is possible that certain options might be difficult to purchase or sell, possibly preventing a Manager from executing positions at an advantageous time or price, or possibly requiring them to dispose of other investments at unfavorable times or prices in order to satisfy a portfolio's other obligations.

Lack of Diversification. Client accounts may not have a diversified portfolio of investments at any given time, and a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

Financial Planning Risks. Financial planning is inherently speculative and CGFA makes no guarantee regarding the success or feasibility of any financial plan. The information forming the basis of any financial plan will be derived from sources that CGFA believes are reliable, including information provided by the client, and the accuracy of such information is not guaranteed or independently verified by CGFA. Certain Financial Planning Services may include educational information regarding the effect of taxes or recommendations with respect to insurance coverage types and amounts. Clients should understand that this tax and insurance information is general in nature. Nothing recommended or outlined by CGFA should be used by a client as a substitute for competent legal, accounting or tax counsel provided by the client's personal attorney, accountant and/or tax advisor. Additionally, CGFA strongly recommends that each client review each area of potential and/or actual insurance coverage need with the client's insurance agent to ensure that adequate coverage exists.

CMAs and other Non-Discretionary Assets Held in Discretionary Portfolios. Certain clients that engage CGFA to provide discretionary account management may request that CGFA hold assets within managed portfolios, in CMAs, or otherwise as non-discretionary assets subject to special instructions from the client. Clients that enter into such arrangements with CGFA should understand that they will not receive the full benefits of CGFA's discretionary management services with respect to such non-discretionary assets, which means that CGFA will have no obligation to make or recommend any buy-sell decisions with respect to any such asset, even during periods of adverse market conditions or when CGFA otherwise believes that such actions are likely to benefit the client or avoid adverse consequences. Further, clients should be aware that such assets will be subject to any custodial, transaction or other third-party fees and expenses associated with such non-discretionary assets. Additionally, assets in CMAs have limited investment options that may change over time.

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 CGFA or the integrity of CGFA's management. CGFA has no disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

CGFA, George M. Groome, G. Tatum Groome and Matthew L. Groome are also owners and managers in CG, a holding company holding the following wholly-owned subsidiaries:

- CGFA;
- Colton Groome Insurance Advisors, Inc., a North Carolina registered insurance agency;

- LifeTrust3D, LLC, an insurance consulting company; and
- Colton Groome Benefits Advisors, LLC (doing business as Colton Groome Retirement Plan Advisors), a retirement plans consulting company.

Colton Groome Insurance Advisors, Inc., formerly doing business as Colton Groome & Company, was founded in 1950 to provide financial products and services to business and individuals, including insurance (life, disability, and long-term care), investments and employee benefits (retirement plans, executive benefit plans). In 2015, Colton Groome Insurance Advisors, Inc. became a wholly-owned subsidiary of CG.

CGFA's IARs are also employees of CG. In addition, CGFA's IARs may also be registered, licensed and/or provide material services to clients in the following capacities:

- Registered representatives of Valmark Securities, Inc.;
- Insurance licensed and placing insurance business through Executive Insurance Agency (Akron, OH), an insurance agency and ultimate parent of Valmark Securities, Inc.;
- Insurance licensed and placing insurance business through Colton Groome Insurance Advisors, Inc. and other insurance agencies; and
- Insurance consulting services to clients of LifeTrust3D, LLC.

Any or all of these registrations/licenses/capacities and their associated relationships, along with the commissions and other related compensation received by our IARs, create conflicts of interests with clients. At no time however is a client under an obligation to implement (with CGFA or with any other firm) any or all of the suggestions. Implementation is solely at the client's discretion. While CGFA Advisors endeavor at all times to put the interest of the clients first as part of CGFA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations; however, CGFA's Code of Ethics prohibits its IARs from putting their interests ahead of yours.

All fees paid to CGFA for advisory services are separate and distinct from the fees and expenses charged by Funds to their shareholders. These fees and expenses are described in each Fund's prospectus and will generally include a management fee, other Fund expenses, and possibly a distribution fee. The Fund may also impose sales charges. If so, the client may pay an initial or deferred sales charge. A client may invest in a Fund directly, without the services of CGFA, and avoid paying CGFA's fee in addition to the Fund's fees. In that case, the client would not receive the services provided by CGFA, which are designed, among other things, to assist the client in determining which investment management programs and money managers are most appropriate to the client's financial situation and objectives. The client should review both the fees charged by the Funds and the fees charged by CGFA and the other investment advisers chosen to fully understand the total amount of fees to be by the client. Only then will the client be able to fully evaluate the advisory services being provided.

As registered representatives of Valmark Securities Inc., personnel of CGFA may receive 12b-1 distribution fees, commissions and/or other compensation from investment companies for the placement of client funds into investment company shares or for the sale of other products (including insurance). Any activity performed by such registered representatives is supervised by Valmark Securities Inc. CGFA does not direct any of its brokerage to, or execute any trades through, such persons.

Certain employees of CGFA are also licensed to sell insurance products. As such, these employees are entitled to receive commissions or other remuneration on the sale of insurance and other products. In addition, certain employees of CGFA are also registered representatives of Valmark Securities, Inc., a FINRA and SIPC member and registered broker-dealer. As such, these employees are entitled to receive brokerage commissions. No client will pay both an advisory fee to CGFA and a commission to an employee of CGFA or another CG affiliate on the same asset unless the client is notified in advance. Clients are not obligated, contractually or otherwise, to use the services of these insurance agents, registered representatives. Please see *Item 5 – Fees and Compensation* for more information.

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

Code of Ethics and Personal Trading

CGFA has adopted a Code of Ethics (the "Code"), the full text of which is available to you upon request. CGFA's Code has several goals. First, the Code is designed to assist CGFA in complying with applicable laws and regulations governing its investment advisory business. Under the Advisers Act, CGFA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires CGFA associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

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

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, CGFA's associated persons may invest in the same securities recommended to clients. This may create a conflict of interest because associated persons of CGFA may invest in securities ahead of or to the exclusion of CGFA clients. Under its Code, CGFA 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, including generally disallowing trading by an associated person in any security within one day before any client account trades or considers trading the same security and the creation of a restricted securities list, reporting and review of personal trading activities 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, CGFA 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, CGFA's goal is to place client interests first.

Consistent with the foregoing, CGFA maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. CGFA associated persons are not permitted to participate in IPOs. CFGA associated persons wishing to invest in a private placement must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

If associated persons trade with client accounts (*e.g.,* 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 CGFA'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, CGFA 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, CGFA 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 CGFA's clients. Therefore, research services received may not be used for the account for which the particular transaction was affected.

CGFA typically recommends that clients establish brokerage accounts with either Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, or Fidelity Brokerage Services, LLC ("Fidelity Brokerage") (collectively "Custodians") to maintain custody of clients' assets. CGFA may effect trades for client accounts held with the Custodian(s), or may in some instances, consistent with CGFA's duty of best execution and specific investment advisory agreement with each client, elect to execute trades elsewhere. Although CGFA may recommend that clients establish accounts with the Custodians, it is ultimately the client's decision where to custody assets. CGFA does not take custody of client assets held at Fidelity Brokerage.

CGFA is independently owned and operated and is not affiliated with Schwab or Fidelity Brokerage.

Schwab:

CGFA participates in the Schwab service program, which provides access to institutional trading and custody services. While there is no direct link between the investment advice CGFA provides and participation in these programs, CGFA receives certain economic benefits from this program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of CGFA's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of CGFA's accounts, including accounts not held at Schwab. Schwab may also make available to CGFA other services intended to help CGFA manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to be rendered to CGFA by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to CGFA, and/or Schwab may pay for travel expenses relating to participation in such training. Finally, participation in the Schwab program provides CGFA with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the Schwab program do not necessarily depend upon the proportion of transactions directed to Schwab. The benefits are received by CGFA, in part because of commission revenue generated for Schwab by CGFA's clients. This means that the investment activity in client accounts is beneficial to CGFA , because Schwab does not assess a fee to CGFA for these services. This creates an incentive for CGFA to continue to recommend Schwab to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, CGFA believes that Schwab provides an excellent combination of these services. These services are not soft dollar arrangements but are part of the institutional platforms offered by Schwab.

Fidelity:

CGFA has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides CGFA with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like CGFA in conducting business and in serving the best interests of their clients but that may benefit CGFA.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables CGFA to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to CGFA, at no additional charge to CGFA, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by CGFA (within specified parameters).

As a result of receiving such services for no additional cost, CGFA may have an incentive to continue to use or expand the use of Fidelity's services. CGFA examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of CGFA's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the CGFA determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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 broke-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although CGFA will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by CGFA will generally be used to service all of CGFA's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. CGFA and Fidelity are not affiliates, and no broker-dealer affiliated with CGFA is involved in the relationship between CGFA and Fidelity.

Managers and UMA Platforms

When trades in client accounts are executed by a Manager or UMA Platform, the best execution policies of the Manager or UMA Platform will apply. Clients will be provided each Manager's and UMA Platform's Form ADV Part 2A Brochure, which contains important information regarding the Manager's or UMA Platform's policies and procedures regarding best execution, upon request.

Directed Brokerage

CGFA may allow certain clients to direct CGFA 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 arrangements that CGFA has with the Custodians are 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 may 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 CGFA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with CGFA 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.

When trades in client accounts are executed by a Manager or UMA Platform, the directed brokerage policies of the Manager or UMA Platform will apply. Clients will be provided each Manager's and UMA Platform's Form ADV Part 2A Brochure, which contains important information regarding the Manager's or UMA Platform's policies and procedures regarding directed brokerage.

Aggregated Trade Policy

CGFA, a Manager or a UMA Platform may enter trades as a block if possible and if advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows CGFA, a Manager or a UMA Platform to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

CGFA 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 CGFA's investment advisory agreement with each client for which trades are being aggregated. Where CGFA aggregates trades, each client that participates in an aggregated order will participate at the average share price for all CGFA's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly 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.

When trades in client accounts are executed by a Manager or UMA Platform, the trade aggregation policies of the Manager or UMA Platform will apply. Clients will be provided each Manager's and UMA Platform's

Form ADV Part 2A Brochure, which contains important information regarding the Manager's or UMA Platform's policies and procedures regarding trade aggregation.

Item 13 - Review of Accounts

CGFA's Investment Committee typically meets monthly to review investment strategies and Manager performance. Managed portfolios are reviewed at least quarterly 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 CGFA. These factors may include, but are not limited to, change in general client circumstances (*e.g.*, marriage, divorce, retirement) or economic, political or market conditions. One of CGFA's IARs or principals is responsible for reviewing all accounts.

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. CGFA will provide additional written reports as needed or requested by the client. Clients should carefully compare the statements that they receive from CGFA against the statements that they receive from their account custodian(s).

For those clients to whom CGFA provides separate financial planning and/or consulting services, reviews are conducted on an as-needed or agreed-upon basis. Such reviews are conducted by one of CGFA's IARs or principals.

Item 14 - Client Referrals and Other Compensation

CGFA does not pay or receive referral fees.

As noted above, CGFA may receive some benefits from their Custodial relationships based on the amount of client assets held at the Custodian. Please see ***Item 12 - Brokerage Practices*** for more information. However, neither the Custodian nor any other party is paid to refer clients to CGFA.

Certain employees of CGFA are also licensed to sell insurance products. These employees will earn commission-based compensation for selling insurance products, including insurance products sold to clients of CGFA. In addition, certain employees of CGFA are also registered representatives of Valmark Securities, Inc., a FINRA and SIPC member and registered broker-dealer. As such, these employees are entitled to receive brokerage commissions. Insurance commissions and brokerage commissions earned by employees of CGFA are separate from CGFA's Investment Advisory Service Fees. Please see ***Item 5 – Fees and Compensation*** for more information.

Item 15 - Custody

CGFA is deemed to have custody of client assets when CGFA obtains login credentials to the client's brokerage or other custodial accounts, and such credentials provide CGFA with the ability to withdraw funds or securities or transfer them to an account not in the client's name at a qualified custodian. CGFA has adopted policies and procedures to monitor and supervise its practices when it has custody of client assets. CGFA does not take custody of client assets at Fidelity Brokerage and will not log into end customer accounts on the Fidelity platform.

CGFA has also retained an independent accounting firm to perform a surprise examination once during each calendar year as prescribed by Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. In addition, CGFA may be deemed to have "soft" custody of client assets because CGFA's portfolio management fees are normally debited directly from client account(s), unless other arrangements are made.

Either Schwab or Fidelity Brokerage is the custodian for nearly all client accounts at CGFA. 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 CGFA of any questions or concerns. Clients are also asked to promptly notify CGFA if the custodian fails to provide statements on each account held.

From time to time and in accordance with CGFA's investment advisory agreement with clients, CGFA will provide additional reports. As mentioned above, 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.

Item 16 - Investment Discretion

As described in ***Item 4 - Advisory Business***, CGFA will accept clients on either a discretionary or non-discretionary basis.

For *discretionary accounts*, the client's investment advisory agreement gives CGFA the authority to carry out various activities in the account, generally including the following: (i) trade execution; (ii) the ability to request checks on behalf of the client; and (iii) the withdrawal of advisory fees directly from the account. CGFA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of this authority to the extent consistent with the client's investment advisory agreement with CGFA and the requirements of the client's custodian. If required by a client's custodian, the client may also execute a Limited Power of Attorney ("LPOA"), which allows CGFA to carry out trade recommendations and approved actions in, and give instructions to the custodian related to, the portfolio.

For *non-discretionary* accounts, the client may also execute an LPOA, which allows CGFA to carry out trade recommendations and approved actions in the portfolio. However, in accordance with CGFA's non-discretionary investment advisory agreement with the client, CGFA does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action.

Both discretionary and non-discretionary account clients may impose reasonable restrictions on CGFA's discretionary authority, subject to CGFA's investment advisory agreement with the client and the requirements of the client's custodian.

Item 17 - Voting Client Securities

As a policy and in accordance with CGFA's investment advisory agreement, CGFA does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. While clients may contact CGFA with questions relating to proxy procedures and proposals, CGFA generally does not research particular proxy proposals.

Item 18 - Financial Information

Because CGFA does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance, and currently does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, CGFA has nothing to disclose under this Item 18.

Colton Groome & Company Privacy Policy

Colton Groome Financial Advisors, LLC, a registered investment adviser, strongly believes in protecting the confidentiality and security of information we collect about you. This notice refers to Colton Groome Financial Advisors, LLC by using the terms “us,” “we,” or “our”. This notice describes our privacy policy and describes how we treat the information we receive (“Information”) about you.

Why We Collect and How We Use Information: We collect and use information for business purposes with respect to our business relationships involving you. These business purposes include evaluating a request for products or services, administering our products or services, and processing transactions requested by you. We may also use information to offer you other products or services we provide.

How We Collect Information: We get most information directly from you. The information that you give us when applying for our products or services generally provides the information we need. If we need to verify information or need additional information, we may obtain information from third parties. Information collected may relate to your finances, employment, avocations or other personal characteristics, as well as transactions with us or with others.

How We Protect Information: We treat information in a confidential manner. Our employees, registered representatives and investment adviser representatives acting on our behalf are required to protect the confidentiality of information. These employees and representatives may access information only when there is an appropriate reason to do so, such as to administer or offer our products or services. We also maintain physical, electronic and procedural safeguards to protect information; these safeguards comply with all applicable laws. Employees, registered representatives and investment adviser representatives are required to comply with our established policies.

Information Disclosure: We may disclose any information when we believe it necessary for the conduct of our business, or where disclosure is required by law. For example, information may be disclosed to others to enable them to provide business services for us such as, performing general administrative activities for us and assisting us in processing a transaction requested by you. Information may also be disclosed for audit or research purposes; or to law enforcement and regulatory agencies, for example, to help us prevent fraud. Information may be disclosed to others that are outside of Colton Groome Financial Advisors, LLC, such as companies that process data for us or companies that provide general administrative services for us. We may make other disclosures of information as permitted by law.

Information may also be provided to certain nonaffiliates, such as marketing companies, to assist us in offering our products and services to you, and to nonaffiliated financial services companies with which we have a joint marketing agreement, for example, an agreement with another registered investment adviser to enable us to offer you certain of its products or services. We do not make any other disclosures of information to other companies who may want to sell their products or services to you. For example, we will not sell your name to a catalogue company. We may disclose any information, other than a consumer report of health information, for the purposes described in this paragraph.

Access to and Correction Information: Generally, upon your written request, we will make available information for your review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If you notify us that the information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which we will include in any future disclosure of information.

Further Information: In addition to any other privacy notice we may provide, a recently enacted federal law established new privacy standards and requires us to provide this summary of our privacy policy. You may have additional rights under other applicable laws. For additional information regarding our privacy policy, please write to us at 1127-B Hendersonville Road, Asheville, NC 28803.